

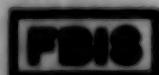
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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2080



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ASPECTS OF FOREIGN CURRENCY PAYMENTS AMONG CEMA MEMBERS EXAMINED

Sofia PLANOVO STOPANSTVO in Bulgarian No 6, 1980 pp 46-55

[Article by Pavel Daskalov: "Foreign Exchange Aspects of Bilateral and Multilateral Economic Relations Among CEMA-Member Countries"]

[Text] Determining the nature, place, and role of the specific forms of economic cooperation is of great importance in establishing the nature of integration processes among CEMA-member countries and determining the most effective ways and means for development of economic cooperation among them. Currently, bilateral and multilateral methods are applied simultaneously in intergovernmental economic relations among socialist CEMA-member countries. Since both forms are connected with different national and international institutions, involve different organization of the work, and have different objectives, tasks, and results, legitimately the following questions are asked: How are relations among CEMA-member countries developing, what are the possibilities for combining and interlinking the two forms of economic relations, and what is the optimum relationship for their cooperation.

Long experience in the economic cooperation among CEMA-member countries has confirmed that both organizational forms have their place and basis and that they are closely interconnected and interwoven. A bilateral and a multilateral status are not mutually exclusive. On the contrary, they are interdependent. The use of one of them creates favorable prerequisites and conditions for the utilization of the other organizational form and vice versa. That is why it would be incorrect and one-sided to consider in advance multilateral relations as a superior form of cooperation compared with bilateral relations, or else if priority is given to bilateral methods in the solution of specific economic problems from the practical viewpoint.

The simultaneous use of the bilateral and multilateral methods does not mean, however, that it makes no difference which of the two organizational forms is applied under specific circumstances or in carrying out specific assignments. The specific correlation between the bilateral and multilateral principles in its historical aspect depends on the nature of the problems they are resolving through economic cooperation. The correlation between them is not final or

determined once and for all, but changes depending on the stages of development of socialist economic integration and the objective of the measures to be implemented.

Bilateral relations predominated in the first years of economic cooperation among CEMA-member countries. At that time practical experience (and possibilities) for the use of a variety of organizational forms of international economic relations, most of which dealt with foreign trade, were still lacking. The instruments and institutions of multilateral relations were insufficiently developed. The further quantitative and qualitative development of economic relations called for the broadening of multilateral relations as well. Simultaneously, the necessary prerequisites were being created for that purpose. It became clear that a number of problems could be resolved far more effectively on a multilateral rather than bilateral basis (some problems could not be resolved at all on the bilateral level). This applied, for example, to the formulation of the principles governing the setting of foreign trade prices within CEMA and the area of foreign currency relations. Cooperation among member countries in the area of standardization could have been undertaken, from the very beginning, and developed successfully on a multilateral basis alone. Therefore, the multilateral forms of cooperation in a given area largely earmarked the frameworks within which bilateral relations could develop and, at the same time, played a specific role in boosting them. Thus, for example, the multilateral payments system, which has been used by CEMA for over 15 years, has always encouraged the development of reciprocal trade even though its bilateral nature is still strongly emphasized.

Increased comprehensiveness of cooperation in production and research is of major importance to CEMA countries. Despite some unsatisfactorily resolved and still difficult problems, multilateral relations have assumed a solid position within the organizational forms of relation among CEMA countries. The latter have acquired considerable experience and skill in using them properly and expediently, and in effectively linking them with bilateral economic cooperation forms.

To CEMA-member countries the problem of the place, role, and correlation between bilateral and multilateral forms is of particularly decisive and topical significance in the field of planning. The new and higher forms of cooperation in this area called for a basic revision of the ties and relations between the bilateral and multilateral forms. Problems in which all or most CEMA-member countries are interested can be effectively resolved on a long-term basis only following the drafting and adoption of the necessary measures and the consideration of the conditions and possibilities of all the countries. Multilateral decisions must be based on profound studies made by national planning organs, studies which would also contain optimum solutions for the implementation of joint initiatives. The conclusion, therefore, is that the extension of multilateral forms of international economic relations is closely linked with greater comprehensiveness, longer range, and higher levels of analytical preparations for cooperation in various areas.

The close ties between the bilateral and multilateral forms in planning become particularly clear in the joint pooling of enterprises and industrial projects. Currently, a number of projects have been built within which the CEMA-member countries have combined material, financial and mental resources, thus resolving important problems of supplies and of satisfying the national economies with raw materials, energy, and fuels. All these problems, such as the capacity of the industrial facilities under construction, important technical and technological parameters, problems of ownership, reciprocal applications, share of participation, and others, are discussed and resolved on a multilateral basis. On the basis of multilateral agreements (for the joint construction of the Ust'-Ilim Cellulose Combine on Soviet territory, undertaken by Bulgaria, the GDR, Poland, Romania, the USSR, and Hungary, the Kiyembaya Mining-Concentration Asbestos Combine, and a number of other projects), the countries sign bilateral agreements in which they stipulate the details of conditions and reciprocal obligations, such as the variety of goods to be supplied, supply terms, and others. It is thus that in a number of cases multilateral agreements are "refracted" into a number of bilateral relations and it is through them, actually, that they are implemented. In some cases bilateral agreement concluded separately by several CEMA-member countries with the Soviet Union in a certain area would require multilateral talks. This is necessary, for a bilateral relation alone would restrict the finding of the most effective long-term solutions.

The principles governing the bilateral and multilateral methods do not always appear in their pure, ideal aspect. They are not always clearly demarcated, for in a number of cases elements of either of the methods become interwoven with the other. Occasionally, contradictions arise between them in various areas of economic cooperation. The contradictions are mainly between form and content. They arise mainly in the case of insufficient maturity of multilateral relations in a given area where, in fact, they are developing on a bilateral basis, even though from the organizational-technical viewpoint they have assumed a multilateral form.

Bilateral and multilateral features apply both to the commodities area (foreign trade, specialization and cooperation, joint construction, and others) as well as the process of payments. Usually, bilateral relations in foreign economic relations correspond to bilateral forms of account settling. The multilateral organization of payments presumes logically developed forms of multilateral foreign economic relations. In some cases, however, the form of payment relations outstrips the development of economic relations. Relations in the commodity area, still based on the bilateral method, are pitted against the multilateral system governing foreign exchange operations among the countries. A similar picture prevails currently on the international socialist market in which economic relations among CEMA-member countries are characterized mostly by their bilateral nature, even though a multilateral system of payments has been established.

In foreign trade, under socialist conditions, the multilateral method is manifested, above all, in the planning, coordination, and balancing of

commodity deliveries by one country to all other countries put together, rather than separately to individual countries. The latter characterizes the bilateral nature of foreign trade relations. In multilateral trade the need is eliminated for the strictly bilateral balancing of imports and exports in terms of value and quantity. An important characteristic of the multilateral method of socialism is that it is achieved at the planning stage, within the framework of joint planning activities and the coordination of supplies, based on the implementation of the various forms of economic cooperation and on socialist economic integration.

At the same time, multilateral foreign trade consists of a number of bilateral relations, since each country establishes and maintains trade relations mainly on a bilateral basis. Multilateral foreign trade does not mean the elimination of such bilateral relations. It presumes the possibility and conditions for the planning and balancing of foreign trade on the basis of multilateral balancing and equalization.

As we know, currently multilateral foreign trade on the socialist market is virtually not applied for a variety of reasons, even though the necessary organizational and contractual forms for it have been developed: the two-step sequence in the development of trade talks, according to which the first step covers, in general, import and export deliveries without overall balancing, and the second step, which calls for the balancing of reciprocal deliveries on a multilateral basis.

Considered in the area of international foreign exchange relations, the multilateral method is a method of payments in which one country settles in full its foreign exchange obligations to other countries through foreign exchange income it has earned in those countries, with no restriction as to amounts and objectives. This way, the multilateral factor in this area is conceived as the unhindered use of the assets of a country in settling its obligations with the others. Multilateral foreign exchange relations follow the principle of global balancing of payments and income rather than the principle of bilateral balancing, which is known for and characterized by maintaining a strict balance between the assets and liabilities of the two countries for a specific time period.

Multilateral forms of payment began to be introduced in relations among CEMA-member countries at the beginning of the 1960s. Until then bilateral settlement of accounts was the basic principle in balancing foreign trade and payments. Bilateral trade agreements were the main organizational-contractual method used in foreign trade. They were long term, covering a five-year period, and annual protocols. In the area of international payments, they consisted of bilateral clearing agreements. The latter proved to be the most expedient form of payments relations among socialist countries at that stage in the development of their economic cooperation. As the economic potential of the socialist countries rose, and as new, more progressive and more effective forms of economic cooperation appeared on this basis, such as multilateral coordination of national economic plans,

production specialization and cooperation, joint production activities, and others, a strictly bilateral method in trade and payments could become a hindering factor in the development of a rational international socialist division of labor. The strict bilateral balancing of payments forced the countries to limit the size of their imports to that of their export possibilities. In other words, reciprocal trade was limited by smaller export possibilities of one of the two countries.¹

The establishment of new forms of economic cooperation among the socialist countries, of specialization and cooperation above all, could have sharply clashed with foreign trade and payments systems. The prospects for further expansion and intensification of the international socialist division of labor on a multilateral basis called for a corresponding form of payment relations which would provide scope for and cooperate to a maximum extent in the implementation of new forms of economic cooperation.

Meeting these requirements and responding to the trend of further expansion of economic relations, of total utilization of potential specialization and cooperation possibilities, above all, the CEMA-member countries developed a system for insuring the conversion from bilateral to multilateral settlement of accounts, based on a transferable ruble. The principle of multilateral payments, on which the new system of payments was based, had as its main purpose the acceleration and expansion of reciprocal trade and the further development and intensification of the international socialist division of labor. The main intent of the 1963 agreement was to convert through the transferability of the collective currency from the bilateral to the multilateral balancing of payments and, on this basis, provide an impetus for the development of multilateral economic relations as well within CEMA. The main advantage of the multilateral system of payments, compared with bilateral clearing agreements, is, above all, that from the viewpoint of payments more favorable conditions are created for the expansion of international economic cooperation and for socialist economic integration. A comparison between the two methods of payment shows the main advantage of multilateral payments in terms of foreign trade: they create more advantageous prerequisites for the development of trade.

However, we must emphasize that the introduction of the transferable ruble as a monetary unit for multilateral payments could not immediately bring about an effective multilateral type of foreign trade and payment relations among socialist CEMA-member countries. Past experience shows that at the end of the year payments are balanced almost entirely between the respective pair of countries. This is due, above all, to the fact that the countries plan their foreign trade, which generates most of the payments, as a rule on the basis of a bilateral annual balance. Necessarily, it follows that payments between countries will be equalized on a bilateral basis. Such bilateral balancing was done by the countries on a deliberate and planned basis.

quality and value, adding to them secondary goods as well. In reality, commodities belonging to the second group are subject to additional contracting in the course of multilateral talks. The existing relative shortage of goods important to the national economies of the socialist countries is the main reason for some economists to speak of a certain bartering in trade and of the predominance of distribution functions in foreign trade.² The desire to achieve a strict balance in trading commodity groups of the same kind and the exchange of some raw materials for others or of some machinery for a specifically determined other type of machinery hinders the increase in the relative share of goods coordinated on a multilateral basis. Other factors, such as unjustified duplication in the production of individual commodities by several countries simultaneously, the lower quality standard and technical indicators of some export goods, substantially different from contemporary global standards and prototypes, and so on, adversely affect the multilateral aspect of foreign trade.

2. The organizational and contractual forms on which foreign trade, scientific and technical cooperation, crediting, and others are based also play a certain role in the desire to retain bilateral balancing, even though not a decisive one. Long-term agreements and trade protocols consider, as a rule, mainly the possibilities and interests of the respective pair of countries. In the course of over 25 years specific structures and export and import ratios have been able to develop in foreign trade relations among socialist countries, characterizing and distinguishing, from the quantitative and qualitative viewpoints, the trade operations of the individual countries. Until 1 January 1964 the bilateral trade agreements were consistent with the clearing payments system adopted by the countries. Following the introduction of the multilateral system of payments, bilateral trade agreements were retained as the main organizational-contractual foreign trade method. However, the need for strictly balancing supplies between two individual countries was eliminated.

3. Contradictions between the multilateral form of payments and the nature of economic relations among CEMA-member countries are created also as a result of the bilateral nature of the determination of contractual prices in reciprocal trade. We know that different prices prevail in trade relations between a given country and other countries for identical commodities. Even though minor, this price disparity encourages the countries to export more to other countries which pay higher prices and slow down their supplies to countries offering lower prices.

An important question to be answered is that of the extent of multilaterally planned and balanced payments among all partners within CEMA, so that full use could be made of the advantages of the multilateral system of payments in developing reciprocal trade and, respectively, the international socialist division of labor. In our view, in the future as well, a considerable share of reciprocal trade will be balanced bilaterally. The idea of developing the multilateral principle of balancing and equalizing in the area of foreign trade should hardly become a self-seeking aim. Overestimating this

Following the enactment of the multilateral system of payments in transferable rubles, from the foreign exchange viewpoint organizational-technical prerequisites were created which, by themselves, could not insure the development of multilateral trade and the intensification of multilateral cooperation. Indeed, the multilateral transferring of the transferable ruble could be achieved only through the combined effect of the following two factors: the creation of a system for multilateral utilization of the currency (a factor of organizational-technical nature); and development of economic relations on a truly multilateral basis (an economic factor). The latter factor is determinant. In this connection, we must answer the question of what it is that makes it incumbent upon the countries to plan their trade relations on the basis of an annual balance. In our view, the reasons may be found mainly in the material-production area. The essence of the problem would not be affected by reasons such as the bilateral forms of planning coordination, trade agreements, or contractual prices, even though as organizational forms they have a certain influence on bilateral balancing. The essential reasons are deeper: they are found in the material foundations which are the target of planned coordination, trade agreements and the price setting system. The extent to which reciprocal payments may be equalized bilaterally or multilaterally is, above all, less a problem of development of the transferable ruble than of its material foundations. The mechanism of multilateral payments is a necessary prerequisite from the foreign exchange viewpoint. From the economic viewpoint, however, it is insufficient for insuring the conversion to multilateral trade. In practice, prerequisites have been organized in a socialist market for the effect of the former factor without the full operation of the latter, determining factor. Consequently, the reason does not lie in the mechanism of payments but in economic interrelationships, including foreign trade which is continuing to develop essentially on a bilateral basis. This situation triggers contradictions between the multilateral method of payments and bilateral economic relations. The main contradiction appears in the desire of all countries to correlate precisely their sales with the counterpurchases of goods considered identically valuable in terms of quantity and value. Thus, the basic motivation in the conclusion of intergovernmental trade agreements is the bilateral balancing of trade. This conflicts with the multilateral mechanism of payments, which presumes the elimination of the precise bilateral balancing of imports against exports and, hence, of payments against earnings. The high share of reciprocal deliveries which continue to be coordinated on a bilateral basis may be explained by the effect of the following more important factors:

1. The lack of adequate export stocks of some basic commodities is an important economic reason for the underdevelopment of multilateral foreign trade. At the same time, however, there is a relative surplus of low quality goods of unattractive appearance and varieties which are not in demand. This leads to the classification of goods into those in greater or lesser demand or with no demand. This also explains the desire of the countries to link in the greatest detail, in terms of quality and technical indicators, the export of "strong" goods with the import of the same type of goods of equivalent

principle could lead to economically adverse consequences both for the individual countries and for the socialist economic community as a whole. However great the efforts of the CEMA countries might be to intensify the multilateral forms of economic cooperation and, specifically, of foreign trade, they face precisely defined limits. Beyond such limits they find bilateral balancing which can be neither belittled nor ignored. Conversely, in a number of cases it must be developed, intensified, and improved, for it is a decisive factor in economic relations among countries. Thus, for example, trade with the Soviet Union accounts for nearly 50 percent of our country's overall trade. There could be no question here of radically restructuring the bilateral principle governing the planning, balancing, and equalizing of trade between these two countries. This concept is further emphasized by taking into consideration the course charted by our country of comprehensive rapprochement with the Soviet Union. The same applies to the economic relations of the other CEMA-member countries with the Soviet Union. Meanwhile, new ways and means are being sought for purposes of introducing various elements of multilateral relations which would help and boost their relations with the Soviet Union and among themselves. In this light the existence of multilateral forms in the area of industrial cooperation and regulation of trade on a bilateral basis cannot be considered a shortcoming or a contradiction. A large share of the goods in whose production our country has specialized will continue to be handled on the basis of our bilateral relations with the USSR. In our view, this is a normal process. A bilateral balance of payments based on this fact should not be considered a negative phenomenon. Only a situation in which bilateral relations would restrict trade and other forms of economic cooperation could be considered negative. The volume of the controlled balances between the two countries will be determined, above all, by the export possibilities and structures of the two countries and the state of the balance of payments of each country in transferable rubles. It would be difficult to set any kind of quantitative optimum as to the share of the multilateral equalization of payments. The following formulation could be applied in the most general terms: the share of multilateral payments should be such as to stimulate, to a maximum extent, the expansion of trade and the international socialist division of labor. It is a question here not of eliminating the bilateral nature of coordination, trade agreements, or setting of contract prices, but of the drafting of new supplementing instruments in accordance with established material conditions and the qualitatively new requirements arising on this basis.

The CEMA-member countries face exceptionally important problems which must be resolved in order to implement the comprehensive program, related to production specialization and cooperation, scientific and technical cooperation, and development of multilateral foreign trade. The development and solution of foreign exchange problems, whose main element is the even more effective application and improvement of the system of multilateral payments in transferable rubles, will greatly help in the effort to attain these objectives. In turn, this is related to improving the entire system of economic cooperation and of its mechanism, for foreign exchange relations

are the product of cooperation in material production. In order for all the advantages of the multilateral system of payments to be fully used, a number of factors must operate in the fields of management, planning, material-production, foreign trade, and foreign exchange. A really multilateral method may not be achieved in payment relations among CEMA-member countries separately or without the presence or creation of the necessary prerequisites in a number of other areas of economic life and cooperation among CEMA-member countries.¹ In this respect a convincing statement was made by Czechoslovak economist Ch. Konecni: "Replacing bilateral with multilateral principles is not a question of simply a wish or decision to follow one or another line."² Such a substitution could be achieved only on the basis of corresponding economic and organizational prerequisites.³ Such prerequisites should be created through comprehensive measures not only in the foreign exchange area but, above all, in the area of material production, foreign trade, planning, and other fields of multilateral cooperation.

A study of the problems related to the development of foreign economic relations and of payments among countries, arising on their basis, shows the subordinate position of foreign exchange-financial relations within the overall set of economic relations. It indicates that in the conditions of the global socialist market the problem of multilateral payments is a function of the nature of economic relations in the material-production and foreign trade areas and that it cannot be resolved through foreign exchange instruments alone. This leads us to the search for and discovery of conditions, prerequisites, and means for achieving a multilateral type of payments not one-sidedly but comprehensively and all-embracingly. The main ways and prerequisites in this direction could be classified as follows:

conversion to forms of multilateral coordination and national economic plans among CEMA-member countries;

intensification of international specialization and cooperation;

conversion to forms of multilateral balancing of trade and improving its organizational forms;

improving the system of payments and credits.

All this leads to the conclusion that the implementation of the decisions included in a comprehensive program, aimed at developing a multilateral system of payments among CEMA-member countries, calls for the creation of comprehensive conditions and prerequisites at the respective stage in the development of socialist economic integration.

FOOTNOTES

1. At the end of the 1940s and beginning of the 1950s the socialist countries used the simplest multilateral methods for settling reciprocal payments: trilateral single transfers of balances from one clearing account to another.

2. G. Mazanov. "Mezhdunarodnyye Raschety Stran-Chlenov SEV" [International Settlement of Accounts among CEMA-Member Countries]. Moscow, 1970, p. 18; G. Borokin and P. Alampiyev. "Problemy Ekonomicheskoy Integratsii Stran-Chlenov SEV" [Problems of Economic Integration of CEMA-Member Countries]. Moscow, 1970, p. 140.
3. "The expansion of multilateral payments and multilateral balancing must be closely linked with the measures implemented at the respective stages for the intensification of the coordination of national economic plans, the development of production specialization and cooperation, and the improvement of foreign trade relations." Complex Program, p. 61.
4. Ch. Konoeni. "Convertibility of Currencies Under the Conditions of the Intensification and Improvement of Cooperation and Development of Socialist Economic Integration." BYUL. VUNSHNOIKONOMICHESKA INFORMATSIIYA, No 27, 9 December 1977, p. 14, INOSI.
5. We entirely agree with Yu. Shirayev's viewpoint that "the solution of problems such as the development of multilateral payments and multilateral credits depends, in the final account, on the state of cooperation in the field of planning activities and, above all, on the coordination of national economic plans. It calls for the development of a number of complex methodological problems and the establishment of certain organizational and economic prerequisites." Yu. Shirayev, "Mezhdunarodnoye Sotsialisticheskoye Razdeleniye Truda" [The International Socialist Division of Labor]. Moscow, 1977, p. 73.

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PROPER UTILIZATION OF AVAILABLE ARABLE LAND SURVEYED

Sofia PLANOV STOFANSTVO in Bulgarian No. 6, 1980 pp 16-26

[Article by Evgeni Petrov, senior scientific associate first class, candidate of economic sciences: "Basic Directions for Improving the Utilization and Preservation of the Land"]

[Text] Our country's agriculture is faced with important tasks: increasing the volume of agricultural output in order to meet steadily growing needs and upgrading production effectiveness. The successful solution of these problems depends on the extent of the utilization of land resources and the measures taken for the latter's preservation and reproduction. That is why the BCP Central Committee and the government are paying special attention to the land. As a result of this the output and income per unit of area have been rising steadily. Between 1977 and 1978, compared with 1964-1961, overall output per unit arable land, computed on the basis of comparable 1971 prices, rose by a 2.7 factor while net production rose by a factor of 2.4.⁶

Production rose as follows: grain, 73 percent; fruits, 70 percent; meat, 14 percent; milk, 65 percent, and so on.

The land resources in the country are divided into three land funds: agricultural (covering 61.9 percent), forests (34.6 percent) and settlements (3.5 percent). The agricultural fund accounts for 97 percent of the pastures; the forest fund accounts for 98.9 percent of the forests and 3 percent of the pastures; the settlements contain the virtually entire built-up area as well as 2.6 percent of the country's arable land.

The bulk of the land, the fertile land mainly, is used for agricultural production. Consequently, the extent of its utilization also determines, in its essential lines, the extent of the management of the country's land resources.

⁶ All data used in this article come from the 1977 and 1978 statistical yearbooks of the Bulgarian People's Republic and the annual reports of APR [Agroindustrial Complexes].

The basic direction in upgrading the utilization of land resources in agriculture is the steady upgrading of production intensification. Compared with 1960, in 1978 productive capital per unit of arable land rose by a 3.5 factor while production expenditures rose by a factor of 2.3.

Intensification is developing at a fast pace in all directions. New strains of various farm crops are being applied continually. The number of tractors, in terms of 15 hp per 1,000 decare of arable land, has increased by a 3.2 factor; power supply has increased by a factor of 3.2 and chemical fertilizers by a factor of 4.3. The share of irrigated areas of the entire arable land has risen from 14.2 percent to 24.2 percent. As a result, the level of agricultural intensification has risen significantly. Currently it is close to that of the developed countries. Productive capital per decare of arable land has risen to 140 leva while production expenditures have reached 90 leva (Table 1).

Table 1. Growth of Agricultural Production Intensification

Indicators	1960	1965	1970	1978
1. Production costs per decare arable land in leva	38	47	62	88
2. Productive capital per decare arable land in leva	40	63	91	139
3. Tractors in terms of 15 hp per 1,000 decare arable land, number	0.8	1.4	1.9	3.4
4. Power supply per 1,000 decare arable land in hp	66.0	100.6	163.6	210.4
5. Chemical fertilizers in terms of active substance per decare arable land in kilograms	3.2	7.5	13.3	13.8
6. Share of irrigated areas of the total arable land in percent	14.2	18.9	21.0	24.2

Compared with the output before the socialist reorganization of agriculture, farm yields have risen by a 2.3 factor (Table 2).

Despite successes achieved in agricultural production intensification, it will remain the basic direction to be followed in improving the utilization of the land. This is necessitated by the limited size of the arable land and the reduced possibilities to increase it, as well as because of the great potential possibilities offered by the now applied individual crop strains.

In order to upgrade soil fertility, the use of chemical fertilizers and irrigation must be increased in the future. Furthermore, we must continue to introduce new highly productive and better quality strains, expand mechanization in labor intensive sectors (vegetables, tobacco, perennials and others), and apply industrial production technologies.

Table 2. Average Yields of Main Farm Crops in Agriculture
(kilograms per decare)

Средни добиви от основните земеделски култури общо в сезоните (показатели)

(kg of dec)

1) Култура	1934-1939 г.	1950-1960 г.	1960-1971 г.	1971-1975 г.	1976-1978 г.
2) Пшеница	125	174	274	340	315
3) Ечемик	55	100	244	409	311
4) Барлея - зърно	117	167	365	597	579
5) Ориз	63	120	160	170	160
6) Ориз - ориз	50	70	102	120	110
7) Захарен цвекло	1172	2035	3128	2924	2946
8) Домат	2007	2044	2099	2005	2035
9) Картофи	606	914	1138	1180	1147
10) Ябълки	267	912	672	783	934
11) Грозде	440	824	581	551	508

Key:	(1) Crop	(7) Sugar beets
	(2) Wheat	(8) Tomatoes
	(3) Barley	(9) Potatoes
	(4) Corn-grain	(10) Apples
	(5) Sunflower	(11) Grapes
	(6) Oriental tobacco	

At the present stage particular attention is being paid to upgrading the quality and utilization of productive capital, including that which is directly related to the utilization of the land.

Natural conditions and, more precisely, soils and solar heat, enable the country to grow a large number of highly intensive crops. The growing of steady high yields is largely determined by the amount of precipitation which may be insufficient and unevenly distributed throughout the year. That is why irrigation is one of the most important factors in improving land utilization.

Our country has built big irrigation systems. Capital investments for irrigation have exceeded 1.5 billion leva. Irrigated areas total 11.3 million decares. However, only about 82 percent of them are actually irrigated. Crop yields from such lands are frequently below their potential possibilities for the following basic reasons: insufficient water supplies, low technical standard (76.8 percent are irrigated gravitationally), insufficient spraying equipment, low effectiveness of the network of canals, and others. Consequently, labor productivity in irrigation is low (11 decares per man/shift). A great deal of water is lost (0.50-0.60 efficiency) and the watering regime of the crops is frequently violated, which adversely affects yields. That is why one of the basic tasks facing agriculture is the reconstruction and modernization of irrigation systems with a view to upgrading labor productivity and insuring the maximum utilization of the water and the land in order

to increase agricultural output. Furthermore, the building of new irrigated areas must be continued. Studies have indicated that as many as 30 million decares, or 60 percent of the farmland, could be irrigated. Should such irrigated areas be developed, the volume of agricultural output could be increased by more than 30 percent as a result of irrigation alone. This, however, requires substantial additional capital investments.

Perennials account for 7.2 percent of the arable land in the country. Their yields remain inadequate. This is due to the strains used, type of fertilizer, irrigation, technology, and others. The share of non-fruit-yielding perennials remains high. This lowers the volume of output. That is why the reconstruction of some of the land in perennial crops and upgrading intensification are currently an important reserve for the better utilization of the land.

As a result of the major changes which have taken place in the structure of the national economy and increased mechanization, the size of the manpower in agriculture has been reduced considerably. The process is continuing. However, the size of the manpower is declining faster than mechanization is increasing in a number of basic agricultural subsectors (truck gardening, tobacco, perennials). This is having an adverse effect on these crops. Increased mechanization of labor intensive crops is a necessity both in terms of upgrading labor productivity and improving the utilization of the land.

Another main direction to be followed in the utilization of the land is to improve the structure and territorial location of agricultural production.

As we pointed out, natural conditions in our country make the production of a large number of crops possible. We know that the individual crops have different potentials in terms of investments and labor and, on this basis, growing greater quantities and increasing the income per unit area. Improving the utilization of the land calls for the utilization of all opportunities for expanding areas planted in more intensive crops. Accordingly, the country has been pursuing a systematic policy of increasing the share of such crops. Over the past 20 years areas planted in sugar beets, tobacco, vegetables, and perennials have been expanded considerably while areas in grain crops, wheat in particular, have been reduced. We must note, however, that even though suitable areas for growing such intensive crops still exist, available manpower resources and the need for substantial additional capital investments will not make substantial structural changes possible over the next few years.

The great variety of natural and economic conditions prevailing in the different parts of the country also make the problem of the territorial location of agricultural production particularly important. Growing

individual crops under the most favorable conditions has a decisive influence on their effectiveness. That is why great attention is being paid to this problem. Respective studies have been made and a chart for the zoning of basic crops and types of livestock have been drafted. In this respect, particularly after the organization of agroindustrial complexes in the country, starting with 1971 a systematic policy has been pursued of decisively improving the territorial location of production facilities. Areas have been specialized in the growing of grapes, apples, sugar beets, and so on. The process has not been completed. In our view, it must be accelerated by paying greater attention to crops whose requirements in terms of natural conditions and the production structure of irrigated areas are greater and specific. All opportunities must be used to increase the share of more intensive and moisture-loving crops on irrigated areas. This would not only improve land and water management but would make it economically expedient to increase capital investments per unit area so that we may convert from gravitational irrigation to spraying and other more productive yet also far more capital intensive irrigation systems.

Packing the cultivated area with the help of secondary and intermediate crops is an important reserve in upgrading the utilization of the arable land. Natural conditions and, particularly, the extension of irrigated areas make it possible to raise as second crops, following the wheat and early spring crops corn for fodder, late vegetables, tobacco, and others and, before the late spring crops, winter vetch, winter peas, mixed vetch and pea crops, some vegetables, turnips, and others. Our country has acquired rich experience in this area. Let us emphasize that this possibility is being underestimated in many respects. In the country at large these crops account for no more than 10 to 12 percent of the cultivated area compared with a possible 15 to 18 percent, and, in the case of irrigated land, up to 25-30 percent. Naturally, the size of such areas largely depends on weather conditions throughout the year, for in some cases such conditions are adverse and result in losses rather than advantages.

Our country has extensive natural pastureland (26 percent of the farmland). This land, however, is used extensively. It is virtually not fertilized or irrigated. The grass structure has worsened. Yields range between 100 and 300 kilograms of green mass per decare. The better utilization of such land presents agriculture with a major problem. For this reason, in recent years the development of grazing complexes has been undertaken. They could resolve all problems related to improving the condition and utilization of pastures: clearing of rocks and bushes, planting grass, fertilizing, road construction, building livestock and residential premises, developing water supplies, and others. This would enable us to considerably improve the utilization of such land and double or triple grass yields. In many cases such grass could yield hay as

well. This would create better conditions for the development of sheep breeding and, partially, cattle raising.

The preservation and improvement of land resources is an important topical problem. Let us note, above all, that the share of the land used (arable, pastures, and forests) is low--89.6 percent. Arable land accounts for no more than 42.8 percent. This is due to the predominantly hilly, semimountainous, and mountainous topography.

Not only is the share of the arable land small but it is steadily declining. Between 1960 and 1977 alone it declined by 1,423,000 decare, or 2.9 percent. Every year an average of 83,700 decare are lost to cultivation.

The reduction in the size of the arable land is due to two reasons: allocating land for construction and abandonment of unproductive land.

Every year as many as 50,000 decare are set aside for construction needs. This is the result not only of the extensive amount of construction taking place in the country but the increased norms of the necessary area for individual projects and the desire to build on areas close to settlements, transport arteries, and water sources. This leads to the loss of extensive farmland. Proper measures have been taken to improve control over this process. The National Assembly passed a special law on the preservation of the arable land and pastures. Special rates of payment for such land were introduced, ranging, according to the category of the land, from 400 to 40,000 leva per decare. The construction workers were ordered to preserve the humus of the soil in some areas in the course of earth removal operations. After the exhaustion of open pit mines and quarries, the areas must be rebuilt and become useable for crop growing. Land may be appropriated only by decision of the Council of Ministers.

As the result of these measures, in recent years the amount of land allocated for construction declined considerably. In 1977-1978 it averaged 22,000 decare annually.

The second reason--removing from the arable land fund the underproductive land--is caused by the poor condition of a considerable percentage of this land. Because of the rugged topography and age-old human activities, a high percentage of farmland is subjected to water erosion. About 10 percent of the farmland has become severely eroded.

In 1975 there were 1,848,000 decare of abandoned land; in 1978 the figure was reduced to 1,285,000 decare as a result of the measures taken. Furthermore, as a result of river flooding, construction, or organizational and other reasons, every year about 350,000 to 450,000 decare of arable land remain unused. In other words, about 96 percent of the arable land is actually used.

Our country is applying reclamation and other measures to resolve the problem of the preservation and fuller utilization of the land. All okrugs have set up specialized enterprises in charge of reclamation and other measures for the struggle against soil erosion, land recultivation, draining, clearing, and others. All such measures are financed from a special state budget fund. Practical experience has indicated that this is a successful method for the preservation of the farmland. Furthermore, anti-erosion measures are being implemented in forest land, most of which consists of sloped and eroded areas.

It is worth noting that periodically, in recent years in particular, extensive wind erosion as well appeared in northern Bulgaria. A considerable share of the soil in some sectors was carried away and crops were destroyed. This is due not only to the strong wind but the system of land management, particularly of open and highly crumbling soil, in the spring. So far, however, no particular measures have been taken in this respect even though the need for them is extremely urgent.

Currently our country is formulating a long-term program for the struggle against water and wind erosion. It covers all land resources. The plan calls for the simultaneous formulation and implementation of all anti-erosion measures in the individual water basins. The implementation of this program will limit erosion processes to a maximum and will improve the condition and insure the more rational utilization of the land.

Upgrading the fertility of soils which are excessively moist on the surface, acidic, and saline is of great importance to the better management of the farmland.

The country has about four million decares of land which is excessively moist on the surface. This is fertile land with heavy soils and a shallow layer of clay, or else land located near rivers with natural seepage. During periods of heavier precipitation they retain the water while in drought periods some of them are short of ground water. As a result, the crops cannot be planted on time and either require moisture or suffer from a great shortage of moisture. Crop yields on such lands are 20 to 30 percent lower than average and no crops could be planted at all on some of them which must be used as meadows and pasture grounds. In order to improve such soils they must be drained and the plowed stratum must be deepened. Even though essentially the necessary measures to be applied are known, so far nothing has been done to insure the improvement of such lands.

A similar situation prevails with acid soils which total 1,750,000 decares, and with 250,000 decares in salinized soils. The nonutilization of such areas causes the national economy annual losses in excess of 150 million leva.

Preservation from pollution is of major importance for the land in our country. As a result of the development of industry, transportation, and other activities about 550,000 decares of farmland have already become polluted. The main polluters are the cement, metallurgical, chemical, and other plants and the thermoelectric power plants. Decisive, yet still insufficient, measures have been taken in recent years to stop such pollution. With a view to improving work in this respect, in our view, it would be expedient to impose stricter penalties on enterprises which pollute the land, demanding of them to pay for the losses suffered from the worsening of soil fertility and the lowering of yields and of the quality of output.

Every year new land is being developed, even though in small amounts, to compensate for the reduction in the size of the arable land. The basic sources here are the elimination of forests, the plowing of natural pastureland, the draining of swamp land, and the recultivation of areas affected by industry and construction. However, the possibilities in this respect have not been entirely exhausted. In recent years we have been developing an average of 10,000 to 27,000 decares. We still have substantial areas which could be recultivated and drained. A particularly major problem is that of engaging in a more decisive conversion of unsuitable arable land which could be used for the planting of forests and grass, while flat and fertile land currently covered by neglected forests, natural pastures, and others could be developed for farming. This would enable us to stop reducing the size of the arable land, which is an important national problem.

The studies we have conducted on the reduction and increase of arable land indicate that real possibilities exist for the expedient transformation of some soils and for limiting the reduction of the size of the arable land (Table 3).

Table 3. Changes in the Size of the Arable Land From 1980 to 1990

Indicator	Area, Thousand decares
I. Reduction	589
1. High construction	85
2. Highways and railroad tracks	14
3. Dams and Canals	68
4. Mines and quarries	71
5. Corrections of rivers and ravines	6
6. Forestation	177
7. Natural pastures	168

[Table 3, continued]

II. Expansion	751
1. Natural pastures	312
2. Forests	297
3. Swamp draining	48
4. Recultivation of unused land	82
5. Irrigation canals	12
Difference	62

The main idea of the suggested transformation is to plant grass on about 168,000 decares of eroded and abandoned underproductive land and plant trees on 177,000 decares. Conversely, 312,000 decares in pastures and 297,000 decares in forests will be plowed under. This is a minimum amount. Greater possibilities exist for the development of arable land currently in forest resources. However, this should be done gradually following the planting of new forests.

The government's decision to distribute for use by the population some of the abandoned underproductive arable land plays a great role in limiting the reduction in the size of the arable land. So far about 450,000 decares have been distributed. In no more than some 2 years a certain percentage of this land has been radically improved: It has been cleared, terraced, and cultivated. Currently it is used for the production of fodder, fruits, and other valuable farm crops. All this indicates that considerable successes have been achieved and important measures are being implemented to improve the utilization and preservation of the country's land resources. Still, a number of problems must be resolved thus providing real possibilities for the fuller utilization and preservation of land resources. This includes the protection of soil fertility of about 15 million decares threatened by erosion and pollution, flooding, and destruction from construction, and of about 6 million decares of overmoist, acidic, and salinized soils. Corresponding programs have been formulated for the solution of such problems: A national program for the struggle against erosion, a program for upgrading the fertility of 15 million decares, and a program for improving the condition of and developing pastureland complexes covering 4 million decares of natural grazing land.

The implementation of such programs will require capital investments in the hundreds of millions of leva. In our view, this circumstance requires the preliminary clarification of several basic problems.

First, we must determine the ratio which must exist between the engineering-technical and agrotechnical measures aimed at the preservation and

upgrading the fertility of the soil. In a number of cases agrotechnical measures are equally effective and require lesser capital investments, for which reason they are preferable. Such is the case, for example, in the struggle against soil erosion, improving some overmoist soils, and others.

Second, let us note that technologies for the improvement and preservation of individual soils have not been developed in the necessary detail, or else that measures have been suggested whose practical effectiveness has not been proved.

Third, we must increase the availability of specialized equipment for the preservation, improvement, and work of such lands, along with the necessary fertilizers, lime, gypsum, and other means.

Fourth, let us note that our country has a specialized organization in charge of planning measures and well-trained specialists in this area.

Fifth, systematic studies are not being conducted by the complex groups and expeditions studying the condition of land resources in the country for purposes of suggesting specific measures. The National Agroindustrial Union does not have a standard manual on this important problem.

All this indicates the need for the creation of a better organization and for expanding the study, planning and, particularly, the implementation of measures related to the transformation, preservation and improvement of the utilization of land resources in the country. For the time being adequate possibilities exist in this respect. However, they must be used most expediently.

5003

CSO: 2200

CZECHOSLOVAKIA

BRIEFS

URANIUM MINES RENAMED--Concern enterprise Pribram Uranium Mines [koncernovy podnik Uranove doly Pribram] was renamed on 5 September 1980 the Czechoslovak-Soviet Friendship Enterprise [Podnik ceskoslovensko-sovetskeho pratelstvi]. [Prague MLADA FRONTA in Czech 6 Sep 80 p 2]

CSO: 2400

TIGHTER CONTRACTUAL DISCIPLINE DEMANDED BY MINISTRY OF METALLURGY

Budapest MAGYAR HIRLAP in Hungarian 29 Jul 80 p 6

[Article by N. B.: "On Contractual Discipline"]

[Text] Recently there appeared a document which sets forth the most important directives in contractual discipline for the sake of the metallurgical and machine industry enterprises. We asked the Ministry of Metallurgical and Machine Industries for information on the purpose of the directives and their new features.

Nowadays the frequent irregularities in contacts between enterprises are called "contractual lack of discipline," on the model of the expression "contractual discipline." Frequently enterprise cooperation is not adequate, and in quite a number of enterprises a contract is only a formality. They often fulfill their obligations late, quality is below the enterprise capability and deliveries are irregular. Breach of contract brings practically no consequences, and enterprises frequently reject justifiable penalties and indemnities.

In the Interest of the Small Consumer

One of the most important purposes of the new directives is to reform enterprise behavior. Thus one result will be that enterprises will respond concretely to orders and solicitations. At present there is the practice of merely stating the possibility of concluding a contract, instead of giving the time and other details. This, for example, seriously damages the availability of goods. Another equally important point in the document is that in the future the interests of the small consumer must not be pushed into the background.

The KGM [Ministry of Metallurgical and Machine Industries] is also proposing to the enterprises that they live more frequently with the idea of preliminary contracts. From a number of points of view preliminary

contracts are advantageous: they help establish long-term economic ties between enterprises and, among other things, they imply adequate bonds on the legal side, in opposition to possible "disappearance" into the industrial background.

On the basis of experience the KKM powers have determined that some of the enterprises do not do enough for the contracts they have made, and in general do not include contractual obligations in their basic tasks. In this connection the document prescribes that contracts must be fulfilled by the appointed date, at the rate decided on and according to the conditions accepted. If any unforeseen situation interferes with this, it is the duty of the consignor to inform the purchaser of the situation in good time.

It is a well-known fact that when enterprises set up their manufacturing schedules, they often cause each other trouble. For example, one firm will plan to export complete assemblies, and in the meantime its partner will drop the production of an electric motor planned for incorporation into the assemblies, or of some other product. According to the directives, it is absolutely necessary for producers to fulfill their accepted obligations, on the basis of pertinent decisions, if they plan to eliminate the manufacture of some products.

The weakest point in the current contractual system is the validation of demands resulting from breach of contract. If a basic change is justified at all, this is certainly the place. The document particularly calls attention to two essential viewpoints. One is that, although the legal measure refers the decision of validating a demand for a penalty in favor of the wronged party to the competent jurisdiction, it is impossible to understand how the enterprise cannot be obliged to consider the circumstances of breach of contract. In every case it is necessary to examine the real harm done by breach of contract. Another new element is that an economic penalty can be levied on the basis of a government decision of last year, if an enterprise regularly manufactures products of poor quality, if it repeatedly insists on contractual conditions favorable to one party and if there are a number of cases of its not honoring demands caused by having failed to fulfill a contract.

Lack of Internal Organization

According to the KKM authorities the legal and economic work of the enterprises must be continuously improved for the sake of the contractual system. Let us observe that in general the lack of internal organization also works against the fulfilment of contracts. The establishment of contacts between enterprises is inseparable from the organizational level within the enterprise.

FLIGHT OF DISADVANTAGED COOPERATIVES WORSEMED BY SPECIALISTS

Budapest MAGYAR HIRLAP in Hungarian 29 Jul 80 p 3

[Article by Nandor Kereestenyi: "Indifference"]

(Text) Recently I was able to witness a meeting where the refrain could have been: "Kick a poor man while he's down." Forty chairmen of agricultural cooperatives, not known for their intelligence, presented a picture of their worries. This conference was well-suited to be a day of grievances, since various kinds of management handicaps lay a double burden on these cooperatives, the majority of which fit right in on the path of stragglers.

The repeatedly unbending strictness of the economic measures levies a double burden when the state tries to obviate poor production situations. However, even with pertinent subsidies it cannot reach the same level as previously, and those escaping the "protected circle" are now complaining of this fact, which may also be considered encouraging in itself, since this escape is nothing but a recognition of our economic level.

These and similar paradoxes would be widespread if they provided any information. However, instead of them, let me mention only a single grievance! "What I fear most is the indifference of some specialists, felt here and there, but more and more," said one of the chairmen, stating that the specialists orient one another to different places and methods: here in the megye plant protection station, there in the center of one of the plant production systems, and yonder to a new position somewhere else. "When I wanted to keep one of them at any price, it turned out that I was not in an equitable position, because he was offered more than my chairman's salary," the chairman reflected as he brought up this event, by no means unique.

Let me immediately add that the position of this chairman is not an exceptional one. Just recently I was talking with two chairmen who want to get away. For example, one of them considers himself capable of some kind of environmental protection work.... but let's not talk ironically. Indifference, negligence, is really a sign which we had better heed more than

more than any kind of changes in any economic regulator! This is an unfortunate psychological factor associated with the factor of an unfavorable production site. There is no longer any doubt that rehabilitation of an otherwise incompetent enterprise can have a number of brakes applied to expanded production.

From time to time the ageless subject of the participation of questionable areas comes up. What is this all about? According to a previous study by the Agrarian Economic Research Institute, 83 percent of the cooperatives in question can be found in ten of the country's megyes, while only 17 percent can be found in the other nine megyes. The main areas involved are: Oreeg, the Zala hill region, the mountainous area beyond the Danube (Bakony, Vertes) Zselicség, the Somogy hill area, the eastern mountainous area, Hegyköz, the sandy soil between the Danube and the Tisza, the Alföld plain and the Szabolcs-Szatmar sandy soil area. A document recently compiled by a major cooperative department in the Ministry of Agriculture and Food Administration revealed that 283 of the country's 1339 production enterprises have unfavorable facts and figures. Szabolcs-Szatmar has 70 such in 127 cooperatives, Borsod 39 in 107 cooperatives, Somogy 27 in 82 in joint economy, Zala 20 out of 24 and so on.

The relevant situation in Borsod, Hever and Nograd was discussed in quite a bit of detail and the Ministry personnel, among others, stated that there are chairmen who do not like to take on specialists with a diploma, but on the other hand it is also a fact that the university graduates have no desire to be associated with their poor accomplishments either. This is quite true. I have already seen chairmen who hid and closed professional periodicals from head agrarians with a diploma. If there is a reason for discouragement, this fact, trifling only in appearance, is one of them.

However, a definite counteroffensive is developing within the science. For it is not difficult to detect that the best antidote to a desire to go elsewhere can be summarized in funds. Last year the state supplemented the wages of 2,400 specialists with no less than 40 million forints, a form of support which can be maintained. There is also a proposal for reclassification, which again is not a new idea. Let us just think of the erstwhile order 3004 or the host of state farms and professional men "deposited" by the Ministry on the basis of this order, of whom more than a few helped strengthen the cooperatives between 1960-1970.

So, let a new order, numbered or unnumbered, come. If we are provided with anything, let it be orders. At any rate various well-accepted actions and relief could be begun to eliminate the indifference toward these common interests of ours. At the conference mentioned in the beginning, the fact that cooperative managers have been able to buy automobiles to the detriment of the state enterprises was brought up. What need is there of such differentiation, of any kind of differentiation? Following the example of some cooperatives which have moved forward from the ranks of the stragglers, it is possible to judge the scope of their role in the construction of official quarters, so why should this proven system not be accelerated and broadened?

I know that money is necessary in addition to resolutions, and not just a little. However, it is necessary to see that it is really spent directly on the proper purposes, which is economy. This is the way to at least partially eliminate the losses for which the state, in the final analysis, pays several hundreds of millions of forints annually.

6806

CSO: 2500

MAINTENANCE OF HOSPITAL EQUIPMENT SHUNNED BY ENGINEERS

Budapest MAGYAR HIRLAP in Hungarian 29 Jul 80 p 5

[Article by László Fay: "Healing Engineers; Train Yes, Use No?"]

[Text] At present the value of the Hungarian stock of medical instruments is approximately 6 million forints. Some 25 percent of this is unusable or bad. An annual total of 20-30 percent of the industrial engineers, trained at a cost of 100,000-150,000 forints each to implement and repair the technical medical equipment, finds employment in the health service.

These data were presented at a specialized conference ten days ago before the lift-off of the first Hungarian cosmonaut. On the basis of our health plans, worthy of recognition on a worldwide scale, health service has advanced to a mass supply condition. However, service of such a nature requires a greater degree of automation, more and better equipment, and specialists of suitable training and in necessary numbers. Let us take a look at the men we can call medical-technical specialists in the contemporary sense.

Indispensable Collaborators

In the general view today these basically trained technical workers are considered to be in the group whose work is involved with healing or assists it in some way. A well-functioning hospital can be boldly compared to a factory operating according to a strict technological order. Here are found the same general supply areas (sanitary engineering, power, TMI [Preventive Maintenance]) and the so-called hotel services (kitchen, laundry) as everywhere else, and they do not demand any special health knowledge. On the other hand, because of the technical development in the last decade, the employment of a competent technical staff is a more and more urgent task. Specialists are needed who know how to implement, maintain and repair modern health equipment, devices, and apparatus and special instruments at a proper level. The healing teams, of which an indispensable member is the technical worker who takes an active part in the technological

operation of the hospital, are in development. Today in many developed countries it is already impossible to perform certain operations without the presence of the hospital engineers. Prevention, as opposed to healing, is playing a greater and greater role in the everyday activity of physicians, so it is easy to understand the importance of proper maintenance and reliability of the equipment to obviate random repairs. We are emphasizing their importance because the attitude has not prevailed everywhere yet that the presence of technicians is indispensable for providing high-grade health service.

An interesting matter is the training received by medical technical specialists. Naturally a pertinent differentiation is necessary here, since today both trained workers and certified engineers can be found in health service. When we speak of the level of training, we can in general distinguish three levels: certified engineers, industrial engineers and technicians.

Of these three groups the Kando Kalman Technical Electrical Institute seems appropriate only for the graduate training of industrial engineers. If certified engineers want to specialize in this area, they can simply acquire the desired information in special engineering postgraduate education, and since such postgraduate training is a matter of the budget, the number of participants is limited. The greatest concern is for those in the third class. Technician training disappeared from Hungary more than 10 years ago and the technician-quality system, which has taken its place, has received and is receiving a great deal of justified criticism. While this last problem requires a general solution, it is not a question of special medical technology, and still this is where the least development can be found: the shortage of medium-trained specialists is extremely perceptible in health service.

It is possible to establish all kinds of educational needs on the basis of an exact recognition of requirements, and this is the point where the opinions of interested parties diverge. In the past the educational leaders waited for a solution from the competitive system. However, they have had to realize that, as long as the enterprises are not obliged to fill the written competition places, they will ask for an unjustifiable number of engineers and afterwards make a selection based on their own approval. Thus the competitive system does not provide a reliable base for fulfilment of the requirements. (Presumably the enterprises would determine their needs more precisely if, for example, they paid the training expenses of engineers, instead of the central budget!).

We can get approximately exact data on the anticipated demands if we begin with the 6 billion forints worth of instruments mentioned above. In line with the method adopted in international practice, 10 million forints per specialist, it seems that 600 persons are required, but this is far from the approximately 300 medical-technical staff currently employed in health service.

There may be a mistake in the figures, but it is clear that in both cases the needs considerably outdistance the current staff, while we are not even mentioning industrial demands for 200-300 persons and the need to expand the personnel awaited in both areas.

What is the cause of the migration? How can it be that there are scarcely 40 workers in the health area and 40 in the medical-technical industry out of the 200 industrial engineers trained in this specialty at the Kando Institute during the past 10 years?

The Causes of Migration

At the conference mentioned above, the representative of the Ministry of Health spoke of a shortage of 50-80 technical experts on the highest level and 100-150 on the intermediate level, while at the same time a radio report stated that this year the health service advertised a total of three positions to be filled by new graduates.

These contradictions can be the result of inaccuracies in estimates, organisational questions or, most probable, personnel problems. It seems as if the health service authorities do not feel this situation themselves, and somehow view these events from the outside. In Hungary there has never been a census of medical-technical engineers or of industrial engineers. The majority of hospital and healing institutions do not know about this form of training, and therefore cannot demand such specialists. This lack of orientation and enlightening information can lead to millions being tied up in a shortage of components or, what is even worse, in a lack of proper maintenance and data processing.

More and more physicians are incapable of dealing with the technology and of acquiring the technical knowledge, if they did want to use the modern equipment entrusted to them. It is long since time for technical knowledge to be included in the training of physicians, and especially in refresher training. But when we speak of the technical training of physicians, we must not forget that their main mission is healing.

The Big Question

Thus the main question is not one of recent origin. We must accept the fact that the task of healing is a team task, under the guidance of a physician, and that the technicians in this group of workers are just as necessary as the representatives of other branches of science. Concrete institutions are necessary for this purpose, in addition to the readiness of every participant, since an enormous amount of energy has been lost in the past 10 years as a result of the lack of harmony, although most of the information acquired has been generally known.

The establishment of an interdepartmental committee, familiar with the difficulties caused by the divergence of the medical system in two special

directions (ministry, councillors) could lead to a solution by involving all interested parties (education, industry and others). The Medical-Technical Specialty Division of MATE [Scientific Association on Measures and Automation], which perhaps feels the problem most keenly, put this matter on the agenda of an international conference as early as 1972. Within the scope of the recommendations adopted there, the MME [Technical University of Budapest] implemented the training of engineers with diplomas in 1978, and the Kando Institute did so in 1979.

In the recent past we were able to watch the program entitled "Palyakorrekcio" [Course Correction] on television. In it two young men discussed the results of uniting the studies taken at medical and technical universities. One of them, already a physician, was a student at the Technical University, and the other was in his last year at the Technical University when he was able to realize the great dream of his life and became a student at the Medical University.

These were naturally subjective decisions, but the effect of the social environment can be seen in their motivation. Would this be the solution?

6806

CSO: 2500

POLICY AIMS AT CONTINUED INCREASE IN STANDARD OF LIVING

Plans for 1981-1985 Period

Bucharest REVISTA ECONOMICA in Romanian No 34, 22 Aug 80 pp 9-10

[Article by Dumitru Pagna: "Continual Growth of the Well-Being of the Whole Populace--the Supreme Goal of the Party's Policy"]

[Text] Thirty six years of new history, each year bringing with it new and graphic proof of the continual progress of our society. The development of the production forces, their balanced distribution over the territory, the modernization of the structures of the economy, high rates of economic growth, among the highest recorded on a world level, and substantial increases in labor productivity in all sectors--these are some of the most significant elements for characterizing the country's economic and social development, the realism and scientific character of the view that lies at the basis of this development. The anniversary of the memorable historic act on 23 August 1944 constitutes an occasion for also bringing up other significant achievements, those obtained on the plane of well-being, of spiritual development. Because everything that is created on the land of Romania pursues, as the secretary general of the party, Comrade Nicolae Ceausescu, pointed out in the speech given recently at the grand people's assembly in the municipality of Braila, "the general development of the country, the raising of the well-being of the whole populace--the supreme goal of the party's policy, the essence of the multilaterally developed society in Romania."

A Profound Humanism of Our Socialist Order

In our party's view, the possibility of providing as diversified consumption as possible for all the working people, of continually raising the standard of living and the quality of life, is based on the constant development of the production forces, their sensible distribution over the territory, the priority growth of the efficiency with which the resources of society are expended. Only in this way is it possible to ensure the growth of national income, of the newly created value as a unique source for raising the population's incomes, its standard of living. At the same time,

the establishment of a fair division between the accumulation fund and the consumption fund, depending on the conditions specific to each stage of development of the economy, and the setting of the part of national income earmarked for development at about one-third have permitted the creation of the material support for dealing with the consumption demand of the population. Favorable premises for reducing the objective gap between the consumption demand and the economy's capacity to meet it have been created by founding every year new units in the branches and subbranches that respond directly to public consumption, by increasing, diversifying and qualitatively improving their production.

However, it is unquestionable that the sphere of the concept of well-being, of standard of living and quality of life, is more comprehensive. The quality of life under socialism expresses the totality of the conditions that provide for the harmonious development of the human being--on a biological, social and spiritual plane--the satisfaction of his aspirations at a higher and higher level. On another plane, the obtaining of a higher quality of life presupposes the harmonization of individual interests with society's general aspirations, the multilateral fulfillment of the human personality, the utilization of all the capacities and talents of each for the common good.

Exhibiting a more concrete, more "quantifiable" character, the concept of standard of living refers to the degree to which the material and spiritual needs of a society, social class or person are satisfied, under the given conditions of development of the production forces, of social production. A number of quantitative and qualitative determinations expressed by means of economic and social indicators are utilized to characterize the standard of living. These indicators pursue the measurement of the level of the population's nominal and real incomes, of the level of the consumption of material goods and services per capita, of the population's state of health and of accessibility to services of health care, of education, culture and art, to working, housing and recreational conditions, and to the general state of the natural environment in which the people live and work. At the same time, these economic and social indicators permit the distinguishing of the ways, the directions of action by means of which a continual rise in well-being will be provided.

The Progress of the Economy's Development--the Basis for Raising the Quality of Life

The development of the national economy at a high rate in the period of socialist construction has provided the material base needed to continually raise the well-being of all the working people. Occupying the leading places in the world with regard to the progress of economic development, Romania achieved a 13-fold increase in national income, with an average annual rate of 9.7 percent, in the 1950-1978 period. The increase in national income and the achievement of a sensible allocation of it to the development fund and the consumption fund have permitted, along with the rise in

the rate of the development fund, a continual increase in the consumption fund. At the same time, the consistent application of the policy of socialist industrialization and of harmonious development of all branches of the national economy has had major effects on the employed population. Thus, the percentage of the population employed in the nonagricultural branches has risen from 20.6 percent in 1950 to 70.9 percent in 1980, including 44.4 percent in industry and construction, as compared with 12 percent in 1950. The attraction of a larger and larger volume of manpower to the nonagricultural branches and the systematic growth of the population's incomes from wages have led to the growth of the wage fund by a factor of 21 in 1980 as compared with 1950. The average net wage has risen to 2,261 lei (at the end of this year), as compared with 1,595 lei in 1975 and 337 lei in 1950.

In their turn, the peasantry's incomes obtained from work in the CAP [agricultural production cooperative] and on the personal farm, calculated per employed person, have risen 8.3-fold, with a significant role going to the providing of an increase in the guaranteed minimum income to 1,500 lei per month for those who work in zootechny and irrigation and to 1,200 lei for those who work in vegetable-, vine- and fruitgrowing. In addition, the incomes obtained by the population from the social consumption funds have risen, especially through the increase in pensions, in the state allocation for children, in the funds earmarked for the development of education, health care, social and cultural actions.

The increase in incomes, concomitant with the growth of production, the continual diversification and improvement of the quality of consumer goods, has caused a substantial rise in the population's consumption for all categories of products. The growth of the average annual consumption per capita for a number of basic food products is indicative in this regard: from 16.7 kg in 1950 to 62.4 kg in 1980 for meat and meat products; from 107.6 liters to 220 liters for milk and milk products; from 79 units to 270 units for eggs; and from 6.9 kg to 30 kg for sugar and sugar products. The level of the consumption achieved for the main food products provides to the whole population a balanced state of nutrition, in relation to the physical effort exerted and to age. For nonfood goods the average annual consumptions per capita are also continually rising. The development and modernization of light industry and the diversification of the production in this branch are providing for the population's consumption needs for the main products. The average annual consumption per capita has risen from 13.19 square meters in 1950 to 29.10 square meters in 1980 for cloth (including garments) and from 0.62 pairs to 4.10 pairs for footwear—to refer to just a few usual indicators.

Along with the growth of the population's incomes and the fuller and fuller satisfaction of the need for food and clothing, the degree to which the population is supplied with durable goods has also risen—this constituting in fact a significant change in the structure of the population's consumption, one that indicates the approach of the type of consumption in our

country to that existing in the industrialized states. In addition, the degree to which the population is supplied with devices for home use (refrigerators and washing machines), with radios, television sets and other goods, has risen. Remarkable results have been obtained with regard to the housing conditions of the population. In the current five-year period alone, about 1 million apartments will be achieved from state funds. Over 15 million citizens in cities and villages now live in houses built in the past 30 years.

1981-1985: a New and Significant Stage in the Process of Growth in Well-Being

The basic coordinates of the growth of the material and spiritual well-being of our people in the 1981-1985 five-year period have found themselves a coherent and harmonious expression in the Directive Program for Increasing the Standard of Living in the 1981-1985 Period and Continually Raising the Quality of Life, a document adopted at the 12th Congress of the Romanian Communist Party. Being based on the objectives established by the congress with regard to the transition of Romania to a new phase of development, in which the strong affirmation of the scientific and technical revolution will occur, and the speedup of the process of turning the economic and social activity to a new quality, this program incorporates in an organic whole the main orientations and means that will permit the raising of the well-being and the level of civilization of our whole populace to a new stage in the next 5 years.

Starting from the direct correlation that is established between the growth and development of the national economy in general, between the growth of national wealth and the possibilities of raising the material and spiritual well-being of the population, the necessity of acting to achieve a new, higher quality in all economic activity is stressed in the party documents. The management of material and financial resources with maximum efficiency and the achievement of a substantial rise in labor productivity in all economic units--these are the real ways by means of which it is possible to provide the necessary conditions for satisfying the population's demands and raising its standard of living. "It is necessary," Comrade Nicolae Ceausescu stated in the report presented at the 12th party congress, "for all working people and all party organizations to do everything so that our entire economic activity is performed with the highest efficiency, providing for the continual growth of national wealth, the sure basis--and the only basis--for continually developing the homeland, for raising the well-being of the people."

As thus far, the development of the national economy at a steady rate, the more marked growth of national income and its sensible allocation--70 percent to the consumption fund and 30 percent to the accumulation fund--will constitute the basic premises for enlarging the wage fund and increasing the amount of expenditures for social and cultural actions and the investments for the facilities from which the population benefits directly. The

growth of national income at an average annual rate of 6.7-7.4 percent will permit the growth of the wage fund by 43.3 percent in 1985 as compared with 1980 and of the expenditures for social and cultural actions by 25 percent, including those from the state budget by 24 percent. In the next five-year period, another 930,000 new workplaces will be created--an action with a direct effect on the growth of the number of worker personnel, especially in industry and construction, and on the growth of the incomes of the working people by this means too. Significant changes will occur in the structure of the employed population, a process with similar effects.

The provisions on growth in the population's direct incomes from work in accordance with remuneration according to the quantity, quality and social importance of the work occupy an important place among the ways to systematically improve the material, social and cultural living and working conditions of the population (also see Table 1).

Table 1. The Main Indicators of the Population's Incomes in 1980-1985*

	1980 (lei per month)	1985 (lei per month)	(provisions) Growth in 1985 as compared with 1980 (%)
Average real wage	2,261	2,670	16-18
The peasantry's real incomes resulting from work performed in agriculture, per employed person, including:	1,380	1,725	25
Incomes of cooperative members	1,388	1,741	25.4
Incomes of peasants with an <u>individual farm</u>	1,340	1,650	23.1

* Drawn up on the basis of "Programul-Directiva de Crestere a Nivelului de Trai in Perioada 1981-1985 si de Ridicare Continua a Calitatii Vietii" [The Directive Program for Increasing the Standard of Living in the 1981-1985 Period and Continually Raising the Quality of Life], Politica Publishing House, Bucharest, 1979.

The increases in pay will be achieved in such a way as to maintain a fair ratio between the minimum wage and the maximum wage in the economy, which is 1 to 5.5 for the current stage. On this basis, the net minimum wage will amount to 1,630 lei, as compared with 1,425 lei in 1980. In addition, in the next period of the five-year plan, on the basis of fulfilling the targets for growth in economic efficiency and labor productivity, the sums allocated to the profit-sharing fund will be gradually raised, providing an increase in the average sum per person by about 50 percent in comparison with 1980. The peasantry's incomes resulting from agriculture will be raised 20-25 percent.

The increasing of the funds earmarked for social and cultural actions constitutes an important way to raise the standard of living and improve the

quality of life. In this regard, it is expected that the total social and cultural expenditures will rise 37 percent in the 1981-1985 period, amounting to 14,200 lei per family in 1985, with the social and cultural expenditures financed from the budget coming to 12,950 lei per family, as compared with 10,000 lei in 1980. As a result of the growth of the state social security pensions, the military pensions, the pensions for IOVR [invalids, orphans and war widows] and other categories of pensions on the average by about 23 percent for the nominal ones and 15-16 percent for the average real pension, the expenditures for them from the state budget will rise 38 percent on the average for the five-year period in comparison with the 1976-1980 five-year period.

The rise in the monetary incomes of the population under the conditions of a rigorously controlled evolution of the price and rate index will be correlated with an increase in the volume of the retail sales of goods by 36.5 percent in comparison with 1980. As follows from Table 2, the biggest increases will be registered for the consumption of nonfood products and especially of durable products.

Table 2. The Level of the Consumption of the Main Food and Nonfood Products in the 1980-1985 Period*

	Unit of measure	1980	1985	Growth in 1985 as compared with 1980 (%)
Food products per capita				
Meat and meat products	kg	62.4	68-72	9.0-15.4
Milk and milk products (excluding butter)	liters	220	230-240	4.5-9.1
Sugar and sugar products	kg	30	33-35	10.0-16.7
Eggs	units	270	275-280	1.8-103.7
Vegetables and vegetable products	kg	143.6	150-160	4.5-11.4
Fruit and fruit products	kg	63.0	75-85	19.0-34.0
Nonfood products per capita				
Cloth (including garments)	square meters	29.1	35.9	23.4
Knitwear	units	9.9	14.2	43.4
Footwear	pairs	4.1	4.1	-
Durable good per 1,000 inhabitants				
Radios	units	247	300	21.5
Television sets	units	203	245	20.7
Refrigerators	units	157	220	40.1
Washing machines	units	100	153	53.0
Automobiles	units	28	57	103.6

* Drawn up on the basis of "Programul-Directive de Crestere a Nivelului de Trai in Perioada 1981-1985 si de Ridicare Continua a Calitatii Vietii."

Along with the increase in the degree to which the food and nonfood needs are satisfied and the rise in the degree to which the population is

supplied with durable goods, a rapid increase and a wide diversification of the population's demand for services will occur. Accordingly, a rise in the volume of services by 54 percent, representing 74.6 billion lei in 1985, is expected. In addition, in the next 5 years the efforts to provide better and better housing conditions will be increased. Thus, about 1.10 million apartments will be built from the investment funds of the state, including 440,000 apartments earmarked for sale to the population. About 60,000 dwellings will be built from the population's own funds. For improving the comfort, the number of apartments with 3-4 rooms will increase, there being provided an average number of rooms per apartment of 3.52 and an increase in the average floorspace per capita in cities to 10.6 square meters, as compared with 9.7 square meters in 1960.

Inseparable components of the quality of life, education, culture and art, health care, sports and tourism, and their development will be supported by significant budgetary allocations. Thus, the expenditures for education will increase over 36 percent. The conditions for preparing for the generalization of secondary education, for expanding higher education and for more closely connecting all education with the practical needs of socialist construction in our country will be created. The expenditures for health care will be increased about 32 percent, and those for culture and art will be increased 26 percent. In addition, as a result of the growth in the degree of technical equipping of the economy, the improvement in the organization of production and labor, and the increase in labor productivity, the 2d stage of the program of measures for reducing the duration of work to 44 hours will be undertaken in the next five-year period.

All these orientations and measures established by the 12th congress reflect the constant care and concern of our party and state for achieving a higher and higher level of well-being for our whole population.

Domestic Trade Role Examined

Bucharest *REVISTA ECONOMICA* in Romanian No 34, 22 Aug 80 pp 11-12

[Article by Dr Virgil Adascalitei and Dr Aurel Valner of the Institute of Economics of Domestic Trade and Tourism: "Socialist Trade's Contribution to Implementing the Policy of Raising the Standard of Living of the Whole Population"]

[Text] In the 36 years that have passed since the revolution of liberation, Romania has experienced immense revolutionary changes, splendid achievements in all fields of activity. The successful performance of the historic work of socialist construction and the transition to the forging of the multilaterally developed socialist society have been marked, for the whole populace, by the results of attaining the basic goal of our party's policy—continual growth in material and spiritual well-being, a process that, especially after the Ninth ECP Congress, has accelerated and has considerably expanded its sphere of inclusion, involving on a general plane

the creation of a new quality of life. Socialist trade, which, as an important component of our national economy, has continually increased its contribution to raising the standard of living of the population in the cities and villages, has joined in this dynamic process with a significant role.

The country's economic potential in a continual quantitative and qualitative upswing, the growth in national income, the improvement in the socialist relations of production and distribution, and the greater and greater, continually renovated and diversified production of consumer goods are causing the year-to-year growth both of the population's purchasing power and of the possibilities of covering it with a suitable supply of goods. Limiting ourselves just to the analysis of one of the indicators that characterize the vitality of the purchasing power—namely, the evolution of the average net wage of the worker personnel—we find that an increase of it to more than double, that is, from 1,028 lei per month in 1965 to 2,108 lei in 1979, occurred in the past 15 years.

Having the mission of putting at the population's disposal a supply of goods undergoing continual growth, renovation and diversification, capable of satisfying the many and varied consumption demands, Romanian trade has experienced, especially in the period of a decade and a half that has passed since the ninth party congress, systematic, complex and innovative development. Illustrative in this regard is the "retail sales of goods" indicator, which totals over 1.92 trillion lei for the whole 1966-1980 period, under the conditions in which the achievements in 1980 will be about 3.5 times greater than those in 1965. The fact that the average volume of sales per quarter in 1980 is equivalent to that achieved in all of 1964 is extremely revealing.

Moreover, we can deduce how much the dimensions of commercial activity have grown from the fact that in 1980, on the average per workday, goods with a total value of over 700 million lei, as compared with 306 million lei in 1970 and 208 million lei in 1965, and 17.5 times higher than in 1950 are sold.

As an embodiment of the strategic choices of great importance to the present and future of our homeland, established by the Romanian Communist Party and its secretary general, Comrade Nicolae Ceausescu, the rate of growth of the sales of goods in the past 15 years is characterized by high levels with a trend of growth (Table 1).

Another extremely significant aspect also follows from the data presented: the continual and substantial increase, from one period to another, in the absolute value of 1 percent of growth in the retail sales of goods.

Trade has made a notable contribution to our party's continual effort to provide to the people material conditions of life and comfort closer and closer to those in the economically advanced countries, there being

suggestive in this regard the fact that, under the conditions of the growth of the country's population from 19 million inhabitants in 1965 to over 22 million at present, the average sales per capita have risen from 3,350 lei to about 9,600 lei.

Table 1. The Evolution of the Retail Sales of Goods

Period	Volume of sales of goods (billions of lei)	Average annual rate of growth (%)	Absolute value of 1 percent of growth (millions of lei)
1966-1970	406	8.0	638
1971-1975	599	8.5	940
1976-1980	about 917*	8.7	1,407

* The data for 1980 represent estimates.

The steady orientation of the party's policy in the direction of achieving a harmonious territorial structure for the Romanian economy, based on scientific objectives and criteria, has also been reflected in the development of socialist trade. The trend of marked homogenization, on a territorial basis, of the supplying of goods to the population is characteristic, especially of the past three five-year periods. In this regard, the evolution of the retail sales of goods shows that rates appreciably higher than the national average have been registered in counties like Bistrita-Nasaud, Botosani, Covasna, Gorj, Ialomita, Olt, Salaj, Teleorman, Vaslui and others, once lagging behind from this viewpoint too.

Continual qualitative changes have also occurred in the structure of commercial activity. The changes in the content of the supply of goods put at the population's disposal are situated in the forefront. Along this line of thinking, two extremely significant traits are noted:

A better and better positioning of food products with a high nutritive content among the sales;

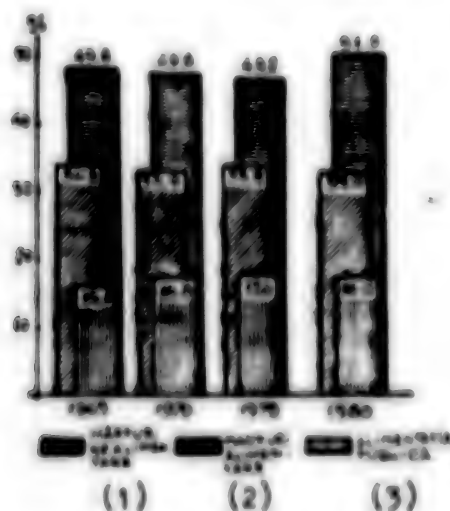
The growth, at extremely fast rates, of the sales of industrial products that contribute directly to raising the degree of civilization and comfort.

In synthetic terms, these changes are reflected in the elements of the graph below, from which it follows that, according to the laws of consumption, a percentage of 51 percent of the total sales goes to nonfood goods in 1980, as compared with 49.8 percent in 1965.

Referring to food products, more marked increases in sales have occurred for dressed meat (3.1 times more in 1980 than in 1965), meat preparations (4.7 times) and fresh fruit (7.2 times). As a consequence, significant changes regarding the ratio between the sales achieved for various food products, in favor of those important for rational nutrition, have occurred during this period of time:

To 100 tons of bread sales there correspond (tons):	1965	1980*
Dressed meat	8.9	19.1
Meat preparations	3.1	10.0
Cheese	2.2	4.6
Sugar	10.8	15.9
Sugar products	3.4	6.2
Fresh vegetables	18.2	59.0
Fresh fruit	2.8	13.8
<u>Canned vegetables</u>	2.5	6.6

* Estimates.



Graph: The Evolution of the Structure of the Retail Sales of Goods According to Sectors in Socialist Trade

Key: 1. Nonfood goods 2. Food goods 3. Public food

One characteristic of the rise in the standard of living of the population in our country is, beyond doubt, also that the wardrobe of all categories of citizens is more comprehensive at present than in the past and, at the same time, the range of the articles of clothing and footwear is more diversified and more rapidly adapted to the demands for rational renewal. In illustration, we state in this regard that the sales of garments and knitwear will total nearly 22 billion lei in 1980, 3.4 times more than in 1965. Regarding footwear, the 76 million pairs provided for sale this year will exceed by a factor of 2.1 the level in 1965.

The data on what we could call the impressive dynamics of the market for durable goods for home, social and cultural use, for recreation and tourism, are illustrative for characterising trade's contribution to raising the population's degree of comfort and civilisation. Over 6.2 million radios, 5.3 million television sets, 3.8 million refrigerators, 2.5 million

clothes washers, 572,000 automobiles, and furniture with a value of about 64 billion lei have been sold in the 1966-1980 period. It is estimated that at the end of the current year the average number per 1,000 inhabitants will be 247 radios, 203 television sets, 157 refrigerators, 100 clothes washers and 28 automobiles.

A multiteritorial judgment of the development of trade also entails the streamlining of the continual expansion of the commercial assortment, now composed of a total of about 320,000 positions, of which 200,000 belong to the sector of textile goods and footwear, 90,000 to the sector of metal and chemical goods and 30,000 to the food sector. It is a question, in fact, of an assortment amplification--in horizontal and vertical terms--of great proportions, which closely reflects the continual growth, diversification and renovation of the Romanian production of consumer goods, on the basis of the special programs adopted by the party, on the initiative and with the direct participation of its secretary general, Comrade Nicolae Ceausescu.

However, the results presented regarding trade's contribution to better and better satisfying the consumption demands of the population cannot be judged fully if what has been achieved in the field of the material base of the sector is not taken into consideration. In proportion to the rise in the degree of complexity of commercial activity, in close connection with the structural changes at the level of the consumer, the expansion of the technical and organizational capacity of the trade apparatus has constituted one of the most important lines of action. As a consequence, socialist trade now has over 78,000 retail-trade and public-food units, with an area of nearly 8 million square meters--over 2 times more than in 1965 (see Table 2).

Table 2. The Evolution of the Retail Trade and Public Food Network

Period	The net increase in:		Average annual rate of growth (%)	
	The number of units	The commercial space (thousands of square meters)	Number of units	Commercial space
1966-1970	8,185	1,260	2.9	6.4
1971-1975	10,058	1,625	3.1	6.1
1976-1980*	7,200	1,850	2.0	5.2

* The data for 1980 represent estimates.

This quantitative growth of the network has occurred concomitantly with the concern for increasing the functionality and the degree of modernization of the units of all categories, thus creating ever better conditions for practicing modern, civilized trade. The qualitative changes occurring from this viewpoint are expressed synthetically in, among other things, the continual and appreciable growth of the average area of a unit and the significant improvement in the trade-network/population ratio, as follows:

	1965	1970	1975	1980*
Average area per unit (square meters)	65	77	89	104
Number of units per 1,000 inhabitants	2.8	3.0	3.3	3.5
Commercial space per 1,000 inhabitants (square meters)	182	232	298	366

* Estimates.

Such features as the following are characteristic of what can be called the quality of the trade network:

The reconstruction of trade on modern bases in the central zones, in the capital and in many other cities of the country (Focsani, Galati, Iasi, Piatra Neamt, Ploiesti, Pitesti, Tulcea, Suceava, Vaslui and so on);

The putting of many new stores into operation on the ground floor of the apartment blocks in the recently built districts;

The delineation of an individual character of the network of Romanian trade, characterized by functionality, modernity and diversity;

The concern for as good a placement as possible of the network throughout the country, concomitant with such a structuring in which the most suitable types of units turn up. Indicative in this regard is the fact that 60 large department, general and "BIG"-type expansion unknown stores, with a total commercial space of 350,000 square meters, which achieve a total volume of sales of nearly 15 billion lei per year (11 percent of the total sales in the system of the MCI Ministry of Domestic Trade), are operating in 1980;

The founding of a comprehensive network of specialized stores, according to the principle of "the complexes of needs," which operate in many of the cities of the country;

Constant concerns for restructuring the public food network and orienting it toward an accentuated culinary profile;

The construction of new agricultural and food markets and the modernization of the existing ones.

In order to raise the social efficiency of trade, for a greater contribution to the sensible utilization of the time of the consumers, steady action has been taken to promote the modern forms of service. Indicative in this regard are the data from the end of 1979, which show that in the total commercial space of the network of food stores in the system of the MCI those in which self-service is practiced have a percentage of over 7.7 percent. In the sector of nonfood goods too, the modern forms of service have been expanded considerably, especially by means of open display and free choice of the goods, so that over half of the number of units in the system of the MCI operate on the basis of this form of service.

The notable accomplishments obtained by socialist trade are, beyond doubt, the result of the constant activity performed by the worker personnel in this branch, who now exceed 450,000 workers, as compared with 142,000 in 1950 and 293,000 in 1965. Of course, it is also a question of an increase in quality, obtained by means of continual concern for raising the level of professional instruction and conduct.

Like the other branches of our national economy, trade's vigorous development has been based to an ever growing extent on the contribution of scientific research and technical progress. The Institute of Economics of Domestic Trade and Tourism is tackling complex research problems, making many studies for forecasting of the retail sales of goods, at the level of the whole country and on a territorial basis, and studies for complex prospecting of the market for groups of products and main products, which are helping to more sensibly substantiate, on scientific bases, the plan for sales of goods and the territorial distribution of the supply of goods and to better correlate the supply with the demand. In addition, by means of selective field research, by means of panels of consumers and of stores and by means of opinion polls carried out year by year at the Fair for Samples of Consumer Goods, information and analyses of the most useful kind for restructuring the supply of goods in accordance with the demand of the population are put at the disposal of trade and industry.

The path taken by socialist trade and the consistent implementation of the instructions given by the secretary general of the party, Comrade Nicolae Ceausescu, at the National Conference of Working People in Socialist Trade in the summer of 1978 constitute a solid foundation for continual progress in this branch, for a firm engagement in the direction of implementing the historic decisions of the 12th party congress. There is the certainty that socialist trade will register new and numerous achievements in the next five-year period, creating a new, higher quality, under the conditions of an ever greater contribution to increasing the standard of living of the whole populace and continually raising the quality of life.

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RELATIONSHIP BETWEEN LABOR FORCE, ECONOMIC DEVELOPMENT VIEWED

Bucharest REVISTA ECONOMICA in Romanian No 33, 15 Aug 80 pp 13-14, 20

[Article by C. Grigorescu: "On the Relationship Between Labor Resources and the Modernization of Romania's Economy"]

[Text] Equalization of Labor Productivity Levels

The development of the economy and the modernization of its structure have gone hand in hand with an increased social productivity of labor. During the 1950-1978 period for instance, the employed population grew 1.3-fold while the national income increased 13-fold; this means that during this period, the social productivity of labor, expressed as national income created by one person employed in the economy, has increased 10.6-fold.

This increased social productivity of labor has been supported primarily by a shift of the employed population toward branches with relatively high labor productivity. As has been shown elsewhere, industrial labor productivity during the first years of the building of socialism was about 10 times higher than labor productivity in agriculture. The consequence has been a significant reduction in the population employed in agriculture and forestry -- from 74.3 percent in 1950, to 32.8 percent in 1978 -- and a corresponding increase in the percentage of the population employed in non-agricultural branches, particularly in industry and constructions, during the same years -- from 14.2 percent to 42.5 percent.

The increased social productivity of labor has also been supported by a greater economic efficiency in all branches of the economy. During the 1950-1978 period for instance, labor productivity (calculated as the ratio of net product to employed population) has increased 9.3-fold in industry, 4.0-fold in constructions, and 6.3-fold in transportation and telecommunications. And finally, the increased social productivity of labor has been due to a 5.0-fold increase in agricultural labor productivity, a branch whose labor productivity was the lowest at the onset of the economic reconstruction on socialist bases.

Table 1. Labor productivity levels in branches compared to the average for the economy.

	1950	1965	1970	1978
National economy	100.0	100.0	100.0	100.0
Industry	366.7	254.7	262.2	172.8
Constructions	272.7	126.7	125.6	113.3
Agriculture	37.5	51.3	39.7	47.1
Transportation and telecommunications	195.5	106.1	93.0	115.8

Source: Romania's Statistical Yearbook, 1978, pp 92, 111 (calculated on the basis of the ratio between the branch structure of the national income in current prices, and the branch structure of the employed population).

The changes that have occurred in the branch distribution of the employed population, together with technologic progress throughout the economy and higher qualifications in the labor force, have contributed to reduce the gaps between labor productivity levels, and to introduce a homogenization of labor productivity in economic branches and sectors (see table 1).

The trend toward homogenization can be clearly seen in the table. Its important aspect is that it is taking place under conditions of increased labor productivity in all branches of the national economy. One noteworthy feature is the change in agricultural labor productivity as compared to industrial labor productivity. Up to 1970, industrial labor productivity increased much more rapidly than agricultural labor productivity, but after that time the latter overtook the former, and in the 1970-1978 period labor productivity growth was 2.4-fold in agriculture and only 1.6-fold in industry. The fact that agricultural labor productivity increased more rapidly than industrial labor productivity results from the development and modernization of the economy as a whole, the changes that have occurred in the branch distribution of the employed population, and the formation of new professional structures.

Projections of the Employed Population in 1990

Romania is currently undergoing an intense process of economic development and modernization, creating a materially and culturally advanced civilization placed entirely at the service of man. As indicated in the documents of the 12th Party Congress: "The 1981-1990 decade is the decisive stage in fulfilling the fundamental objective of the Party Program for building a multilaterally developed socialist society and for creating the social and material premises for gradual transition to communism." The achievement of this goal imposes a large increase in production forces -- on the basis of a balanced development of industry, agriculture, and the other branches of the national economy -- the adoption of the newest

Table 2. Projected employed population in 1990.

	Number in thousands		Percent structure	
	1980	1990	1980	1990
Employed population	10,400	12,000	100.0	100.0
Industry and constructions	4,663	6,240	44.8	52.0
Agriculture	2,975	1,800	28.6	15.0
Other branches	2,762	3,690	26.6	33.0
Working personnel	7,420	9,500	71.4	79.2

advances in science and technology, a superior utilization of material resources and social labor, and a modernized production structure, so that the 1981-1990 decade will truly become "the decade of science, technology, quality, and efficiency." During the next decade, Romania will become a country with an intermediate level of economic development, and will hasten its equalization with economically advanced nations.

The current stage of socioeconomic development requires that the superior utilization of social labor acquire new quantitative and qualitative values. The objective of achieving, by 1990, the broad outlines for building a multilaterally developed socialist society, and for more fully satisfying the needs of all the nation's inhabitants, imposes a rapid rate of economic growth with higher efficiencies in all sectors of activity. A special position in this framework is filled by continued improvements in the utilization of the work force, linking this process with the modernization of the economic structure and with a better distribution of the work force among branches. According to present estimates, the population employed in the national economy, and its distribution among branches in 1990, will appear as shown in table 2.

The trends in the branch distribution of the employed population obviously correspond to the country's present stage of development. As has already been shown, a country's transition into the stage of developed nation assumes an increase in the size and proportion of the population employed in non-agricultural branches.

By continuing its industrialization policy, by having 52 percent of its employed population in industry and constructions, and by maintaining a sustained growth in the efficiency of social labor, Romania will become a powerfully industrialized nation, a decisive condition for its entry into the ranks of economically advanced nations. But it is also true that at an advanced stage of economic development the industrial population undergoes a certain reduction. In some economically developed countries such as Italy and England, the proportion of the employed population in industry and constructions fluctuates around 40 percent, whereas this percentage is much higher in PRC -- 45.1 percent in 1978.

It is well known that Romania has the soil and climate needed to achieve a strong, efficient, and highly productive agriculture. That is why agriculture is a basic branch of the economy in our country, and why its current and future development is one of the highest priorities of the economic reconstruction. The profound agrarian revolution which will take place during the 1981-1985 five-year plan, and which will cover both the technico-material base and the organization of production, will increase agricultural production and yields and will further reduce the agricultural population. Unlike other countries however, the population employed in our agriculture will be significantly larger, estimated at about 15 percent. But the achievement of the agrarian revolution also requires a revolution in the training of agricultural workers, as well as improvements in the sex and age distribution of these workers.

During the 1981-1990 decade, conditions will be created for a stronger development of activities in the tertiary sector. At the same time, an optimum development of this branch is an essential condition for increased economic efficiency and for satisfying the needs of the population: hence the increased percentage of the population employed in this sector, from 26.6 percent in 1980, to 33 percent in 1990.

In final analysis, the branches and sectors of the national economy develop as a function of the population's needs. As such, the distribution of the labor force among branches depends on these needs and on the social productivity of labor. It is therefore evident that the structure of the labor force will change together with these factors. Yet, the facts show that labor productivity and the population's needs are growing at unequal rates. After 1970 for instance, industrial labor productivity was surpassed by agricultural labor productivity. But compared to the productivity in these branches, labor productivity in many branches of the tertiary sector is undergoing moderate growth. As to the elasticity of the population's demand for goods and services, the data shows that this elasticity is higher for industrial products than for agricultural ones (for some of these goods, the elasticity is even less than one).

It should be mentioned however, that as incomes increase, and as the demand for agricultural and industrial products becomes saturated, there will also arise a large increase in the demand for consumer services and implicitly for employed manpower. Given the high elasticity of the population's demand for some activities in the tertiary sector, it is not impossible that as a whole, the population employed in this sector will exceed 33 percent. Following 1990, however, this proportion will be much higher, and could even reach much higher values than those currently found in economically developed nations. But the structure of the tertiary sector will be quite different from that of capitalistic countries. The preponderant activities will be those which serve the natural needs of the population, especially creative activities. At the same time, we can already suggest that by 1990 there will occur a slight reduction in the population employed in industry, because labor productivity will reach the levels found in advanced nations, and because the elasticity of the population's demand for industrial goods is relatively low when needs are well satisfied.

Sources of Necessary Manpower

Projections of the population employed in the national economy and in branches, as shown in table 2, assume that the 1981-1990 decade will see a rapid rate of economic growth based on a 30 percent capital growth and on greater efficiency in all branches of the economy. As has been true until now, the achievement of this capital growth requires a significant increase in labor resources. The data indicates that the next decade will witness an increase of 1.6 million employees in the economy as a whole (a rate of 1.4 percent), of 2,775,000 persons in the non-agricultural population (a rate of 3.2 percent), and of 2,080,000 industrial workers (a rate of 2.5 percent). The additional demand for labor resources raises the problem of meeting that demand; to what extent therefore, will the sources of manpower (numbers) and implicitly the mobility of the work force among branches and professions according to these projections, assure a rapid rate of economic growth.

To begin with, we note that during the next decade the growth rate of the population employed in the entire economy is much higher than that recorded for the 1951-1978 period, namely 1.4 percent as compared to 0.7 percent. If we consider that during the next decade the natural increase in the working-age population will be only 787,000 people (a rate of 0.6 percent), it will be necessary to bring into the working ranks significant contingents of housewives, or of those who although of working age, are not employed for one reason or another. Another source of employees could be those who are retired but who want to continue their activities. Of the total increase in the population employed in the national economy, 50 percent will therefore have to be derived from the natural increase in the working-age population, and 50 percent from housewives and others categories of the population. To the extent to which these population categories do not provide the expected increase in the population employed throughout the economy, the labor force appears as a restriction on the development and modernization of the economic structure. All of which is further argument for the best utilization of the existing work force and for a considerable increase in labor productivity.

The figures in table 2 show a more rapid increase of the population employed in non-agricultural branches than that of the total employed population, both as absolute numbers and as percentages. And while it is true that the growth rate of the non-agricultural population is somewhat lower than during the 1971-1980 decade (3.2 percent compared to 4 percent), its absolute magnitude is estimated to be sensibly larger (2,775,000 persons against 2,400,000 persons).

The problem of meeting the projected increase in the non-agricultural population is the same as the one that arises for the total employed population. A primary source is found in all the population categories which provide the total growth of the population employed throughout the economy (natural increase in the working-age population, housewives, retirees, and so on). But these sources cover only about 58 percent of the

Table 3. Sex and age characteristics of the agricultural population.

	1956	1977
Agricultural population	100.0	100.0
women in the agricultural population	53.7	57.8
Up to 29 years-old	38.0	10.9
30-39 years-old	17.0	17.6
40-49 years-old	17.9	24.7
50-54 years-old	7.9	21.9
55-59 years-old	6.9	18.8
60-64 years-old	12.3	6.1

Note: The 1977 data refers to the cooperative sector.

increase in the non-agricultural population. Another source for covering the additional needs for workers in non-agricultural branches will therefore have to be the population employed in agriculture, which in turn will be reduced by the mechanization of agricultural operations; these people will thus be drawn into industry, constructions, and other non-agricultural branches. However, the proportion of this source in the total growth of the non-agricultural population will be smaller than in the past, namely 42 percent as compared to 60 percent during the 1951-1978 period.

Although this proportion is smaller than in the past, the agricultural population will continue to play a significant role in providing the work force necessary for a continued policy of national industrialization and modernization of the economic structure. To be sure, this raises several problems: on one hand, the extension of mechanization in agricultural work must make available the agricultural manpower while improving this agricultural work; and on the other hand, agricultural workers must become qualified to perform industrial, construction, and other non-agricultural trades.

While stressing the need that the agricultural population contribute to an increase of the personnel in non-agricultural branches, we must at the same time note that as compared to the situation of the first years of the building of socialism, the current labor resources in agriculture have some age and sex characteristics that limit their entry into non-agricultural branches (see table 3).

The data in table 3 is eloquent. It indicates a modification in the sex and age structure of the agricultural population, due to the fact that the non-agricultural branches have attracted primarily the young and male work force. However, a continuation of this process would create difficulties for the development and modernization of agriculture, and would further stress the lack of young manpower which is observed in many agricultural production cooperatives.

There is no doubt that more extensive mechanization will release the agricultural manpower which would then become employed in non-agricultural branches, but as we have noted, its age structure limits its attraction into non-agricultural branches. First of all, the schooling of the agricultural population is poorer, which implies the entry of this population into trades that require relatively low qualifications. And we are equally aware of the fact that given the inertia of an older population, it is difficult for it to adopt new work methods, which are specific to industrial activities and which usually are conducted outside of the localities in which this population live.. In the light of the above, the location of industrial objectives, small enterprises, or sub-sections of enterprises in neighboring towns, will ease the attraction of the agricultural population into non-agricultural branches.

We therefore draw the following conclusions:

1. During the 1981-1990 period, the work force and particularly the natural growth of labor resources, will restrict the development and modernization of the economy. To overcome this restriction, we must expand the intensive factors of economic growth, improve the organization of production and labor, and promote technical and scientific progress on a wide scale.
2. Because the modernization of economic structures requires significant changes in the structure of the work force by professions and branches of the economy and industry, and because the natural increase in labor resources (young population trained in professional schools, high schools, and higher education) is relatively low compared to the growth of the non-agricultural population (28.4 percent), it must be assumed that professional mobility among the ranks of the employed population will intensify during the 1981-1990 period. The most efficient achievement of this process requires improvements in the broad specialty education of young workers, as well as broader retraining and better professional training.
3. A policy for encouraging birth rates and for a normal population growth rate, remains the basis for assuring the work force resources necessary for the development of the national economy.

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DECREE ON REORGANIZATION OF OLTEANIA MINING COMBINE

Bucharest BULETINUL OFICIAL in Romanian Part I No 49, 20 Jun 80 pp 1-2

[Decree of the State Council of the Socialist Republic of Romania on Some Measures for Reorganizing the Oltenia Mining Combine]

[Text] The State Council of the Socialist Republic of Romania decrees:

Article 1. On the date of 1 June 1980, the Rovinari-Rogojelu Mine, the Rosia Jiu-Pesteana Quarry and the Lupoaia Quarry, economic units without a legal personality, under the subordination of the Oltenia Mining Combine, are reorganized as follows:

- a) The Rovinari-Rogojelu Mine, into "the Urdari Mining Enterprise," with headquarters in the Bilteni Commune, Gorj County, having as an object of activity the extraction of lignite, the execution of mine-opening work and geologic, hydrogeologic and drainage work and the execution of repair work on equipment and services;
- b) The Rosia Jiu-Pesteana Quarry, into "the Rosia Jiu-Pesteana Mining Enterprise," with headquarters in the Farcasesti Commune, Gorj County, having as an object of activity the extraction of lignite, the execution of geologic, hydrogeologic and drainage work and the execution of quarry-opening work, repair work on quarry equipment and services;
- c) The Lupoaia Quarry, into "the Lupoaia Mining Enterprise," with headquarters in the Catunele Commune, Gorj County, having as an object of activity the extraction of lignite, the execution of geologic, hydrogeologic and drainage work and the execution of quarry-opening work, repair work on quarry equipment and services.

Article 2. The enterprises founded in accordance with Article 1 operate under the subordination of the Oltenia Mining Combine, on the basis of the principle of economic and financial self-administration, with a legal personality, and are organized on the basis of the legal provisions on the organization and management of the socialist state units and of the uniform structural standards for the coal industry and the mining extractive

industry, approved by means of Decree No 162/1973 on the Establishment of the Uniform Structural Standards for the Economic Units.

Article 3. On the date of 1 June 1980, the Station for Heavy Equipment for Construction, an economic unit without a legal personality, in the structure of the Oltenia Mining Combine, will operate within the Rovinari Transportation Enterprise, which is reorganized into "the Rovinari Enterprise for Transportation and Heavy Equipment for Construction," with headquarters in the Farcasesti Commune, Gorj County, having as an object of activity the performance of transportation with motor vehicles, the maintenance and repair of construction equipment and of its own fleet of means of transportation, and services.

The Rovinari Enterprise for Transportation and Heavy Equipment for Construction operates under the subordination of the Oltenia Mining Combine, on the basis of the principle of economic and financial self-administration, with a legal personality, and is organized in accordance with the legal provisions on the management of the socialist state units and with the uniform structural standards for the activity of transportation and for the activity of industrial construction, approved by means of Decree No 162/1973.

The Rovinari Enterprise for Transportation and Heavy Equipment for Construction belongs to grade I of organization and to group IV of branches. The enterprise will have distinct indicators established for the basic activity--automotive transportation and services.

The Station for Heavy Equipment for Construction maintains its grade II of organization and its placement in group IV of branches.

Article 4. The Urdari Mining Enterprise belongs to grade I of organization, group II of branches, and applies for mineworkers pay level B of the network of, respectively, underground or surface mines, in accordance with the provisions of Law No 57/1974 on Payment According to the Quantity and Quality of Work.

Article 5. The Rosia Jiu-Pesteana Mining Enterprise belongs to the special grade of organization, group III of branches, and applies for workers who operate high-capacity equipment, as well as for workers who work in the maintenance, inspection and repair of it, pay level B, piecework or overhead, respectively, of the surface mine network, in accordance with the provisions of Law No 57/1974 on Payment According to the Quantity and Quality of Work.

Article 6. The Lupoaia Mining Enterprise belongs to grade I of organization, group III of branches, and applies for workers who operate high-capacity equipment, as well as for workers who work in the maintenance, inspection and repair of it, pay level A, piecework or overhead, respectively, of the machine-building network and for quarry mineworkers pay level B

of the surface mine network, in accordance with the provisions of Law No 57/1974 on Payment According to the Quantity and Quality of Work.

Article 7. The structural standards for the units in the coal industry, approved by means of State Council Decree No 270/1977 on Some Measures for Improving the Organization and Activity in the Coal Industry, are modified in accordance with Appendix 1.*

Article 8. The subunits that are founded or are reorganized within the coal industry belong to the grades of organization stipulated in Appendix 2.*

Article 9. The worker personnel who move to the units that are founded or reorganized in accordance with the provisions of the present decree are considered transferred for the sake of duty.

Article 10. The worker personnel transferred for the sake of duty or moved in the same unit to positions with lower pay levels, as a result of the application of the provisions of the present decree, have the right, for 3 months after the date of transfer or movement to such positions, to the basic wage possessed, in accordance with Article 21 of Decree No 162/1973 on the Establishment of the Uniform Structural Standards for the Economic Units. The difference in pay is borne by the units at which the personnel will be employed.

Article 11. The assets and liabilities established on the basis of the balance sheet concluded on 31 May 1980, together with the economic and financial plan indicators, as well as the economic contracts concluded, pass, on the basis of a protocol, from the Oltenia Mining Combine's own activity to the Urdari Mining Enterprise, the Rosia Jiu-Pesteana Mining Enterprise, the Lupoaia Mining Enterprise and, respectively, the Rovinari Enterprise for Transportation and Heavy Equipment for Construction.

Article 12. The Urdari Mining Enterprise, the Rosia Jiu-Pesteana Mining Enterprise and the Lupoaia Mining Enterprise are supplied with one automobile each for the transportation of persons on official business.

Article 13. Appendices 1 and 2 are an integral part of the present decree.

Article 14. Appendices 1 and 2 to Council of Ministers Decision No 367/1973 on Some Measures for Reorganizing the Industrial Centrals, the Units Equivalent to Them, and State Enterprises are amended in accordance with the present decree.

Article 15. Articles 1, 3 and 7, Paragraph 1, of State Council Decree No 27/1978 on Some Measures for Improving the Organization of the Oltenia

* The appendix is communicated to the institutions involved.

Mining Combine, under the Guidance and Control of the Ministry of Mines,
Petroleum and Geology, are repealed.

Nicolae Ceausescu,
Chairman
of the Socialist Republic of Romania

Bucharest, 18 June 1980.
No 187.

12105
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ADEQUATE FODDER BASE ESSENTIAL FOR ANIMAL PRODUCTION

Bucharest REVISTA ECONOMICA in Romanian No 33, 15 Aug 80 pp 10-11

[Article by Nicolae David]

[Text] The biological production capability of animals, even for the most productive breeds, can be exploited only when they are adequately maintained and receive complete and balanced fodder rations. Fertility, fecundity, birth rate, prolificness, death rate, viability, and rate of growth for young animals or for those being fattened, as well as the index of feed conversion, are all directly or indirectly influenced by the quantity and quality of the fodder that is being administered.

Modern feeding techniques seek to establish not only a physiologic balance, but maximum production as well, by supplying fodder rations that vary as a function of age, sex, direction of growth, production, and so on. This is the only way to provide the animals with optimum conditions for utilizing their production capabilities. Rational feeding also guarantees a better capability for defense and resistance against various diseases. If to this, we add the fact that feed expenses are the major portion of animal husbandry costs for all breeds and categories of animals (50 percent for dairy cows and 70-80 percent for meat animals), we complete the range of arguments in favor of devoting particular attention to the feeding of animals.

The secretary general of the party, Nicolae Ceausescu, clearly stressed this need at the Workshop of the Central Committee of the RCP, on 25-26 February of this year: "... the matter of fodder for animals is an exceptionally important task: we will not have the needed animals and animal production unless we assure their fodder base."

Some of the basic requirements for instituting a rational feeding system for animals, are:

a) Assuring the quantity of rations, according to breeds, ages, species, sexes, direction of growth, and productive capability of animals;

b) Assuring the quality of rations, expressed in terms of ratios between various nutrients, energy substances, total digestible protein, minerals, vitamins, amino acids, and so on, and the amounts of these nutritional elements in the total quantities of consumed fodder;

c) Assuring the continuity of feeding with the most suitable fodder throughout the year and all year long;

d) Optimum preparation and administration of feeds (in terms of consistency, humidity, number of feedings, and so on);

e) Minimum costs for fodder rations, consistent with obtaining maximum production.

To organize the most efficient feeding for animals, the decision-making organs of agricultural units are faced with a number of technico-economic alternatives, which can lead to various options depending on specific conditions:

Selection of type of feed, taking into consideration agricultural zones, system of maintenance, technology being used, and direction of growth;

For each category of animals, selection of feed varieties with the highest economic efficiency, taking into consideration anticipated productions;

Feeding animals with purchased combined feeds, or producing mixtures of feeds within enterprises (including the purchase and addition of high potency fodder or protein-mineral-vitamin complexes);

Organizing the fodder base and the structure of fodder crops as a function of feed requirements and the technical demands of fodder crops.

Decision-making groups in agricultural units must quantify the respective advantages and disadvantages of each of these alternatives -- and of others that have not been mentioned here -- and must select those with maximum economic efficiency.

Natural Pastures: First Order Fodder Resource

One of the highly valuable fodder resources in our country is the more than 4 million hectares of natural pastures, representing about 30 percent of the nation's agricultural area. Calculations show that natural pastures can provide 40-50 million tons of fodder (in equivalent greer mass). The role and importance of natural pastures consist not only in the fact that they cover a large portion of the country's land resources, but also in the economic advantages they have over other fodder. Their low cost per nutritional element and per kilogram of digestible protein, as well as the fact that the fodder is consumed by animals directly in the field (without requiring additional costs for mowing, gathering, transportation, and feeding in stables or corrals), make the green mass in natural pastures into one of the least expensive fodders.

Despite the apparently evident advantages of maintaining animals in pastures, Romania's natural pastures are not used to their full capacities: they are lightly exploited with rather low investments (about 150⁰ lei per hectare). Their yields are consequently small, with low contents of nutritional elements and digestible protein. In hillside areas for instance, the current yield per hectare is 4500-5600⁰ kg of green mass, as compared to 2200-5500⁰ kg in the flatlands, and 2400⁰ kg in the mountains.

Given the extremely important tasks assigned to animal husbandry (in order to increase the number of animals and production, so that animal production will be preponderant in the total agricultural production), it is absolutely necessary that we adopt an intensive system of cultivating and utilizing pastures, so that by 1985 the average production per hectare will double (reaching 10,000-12,000⁰ kg/ha, as included in fodder balance calculations).

As pointed out by the secretary general of the party, we must decisively undertake the cultivation of all pasture and hayfield areas, at least once every four years: "A cultivation plan for pastures and hayfields must be drawn, just as it is for wheat and corn; and this plan must cover seeds and all that is necessary to assure fodder for animals." These cultivation plans and the necessary technical and organizational measures for natural pastures will of course differ for different agricultural zones, or at least for the major natural geographical areas. For the flatlands, the cultivation will include operations similar to those of field crops (plowing, disking, sowing, harrowing, maintenance, fertilizing, harvesting), while for hillside and mountain areas, the major operations will be specific for these zones: sound scattering, removal of bramble patches, tree shoots, and rocks, destruction of weeds, top seeding with perennial grasses of high nutritional value, and soil fertilization (chemically, and especially with organic fertilizers).

At the same time, the intensive and efficient utilization of natural pastures demands that in addition to technologic steps for higher yields, we also take the organizational measures that will allow the most effective exploitation of pastures according to specific conditions.

For instance, for mountain pastures located at large distances from inhabited areas and with poor channels of communication, we must:

Build animal shelters to prevent diseases and death during pasturing periods, wherever there occur premature or late snows;

In addition to shelters, create fodder reserves in pastures, so as to extend pasturing periods and provide fodder in case of bad weather;

Tap springs to assure water for animals and avoid their movement over large distances;

Provide quality bulls for pasturing heifers or cows, especially in poorly accessible areas and those located at large distances from artificial insemination centers;

Provide mechanical milking systems for cows that have been accustomed to this type of milking, during the entire pasturing period;

Create access roads between pastures and shelters;

Organize rational pasturing through rotation of several lots;

Organize the gathering and processing of milk in pastures, depending on specific local conditions.

All of these organizational measures are also valuable for other zones in which animals are being pastured, adapting them as needed to the specific conditions of each zone or animal husbandry unit. And finally, flatlands and hillside units also have to solve the problem of fitting pastures into the framework of green belts adopted by each enterprise.

The agricultural units which have taken appropriate technical and organizational steps have succeeded in obtaining spectacular crop increases in pastures, reaching 20,000-40,000^{kg} of green mass per hectare. In Arges County for instance, the cultivation and rational exploitation of pastures has become a tradition in many localities (Cateasca, Schitu Golesti, Podul Dimbovitei, Dealul Sasului, and so on), where the density of animals per 100^{hectares} of natural pasture, and animal production, are much higher than the county or national averages.

Superior Exploitation of Secondary Vegetal Products

As a big producer of grains and leguminous seeds, Romania disposes of large amounts of secondary vegetal products (straw, cobs, stalks, and so on), which currently reach about 15-20^{million tons} per year, the equivalent of 4-6^{million nutritional elements}.

These secondary products (used as coarse fodder in animal feeding) are known to contain little protein and to have a low index of consumability and digestibility. But the results of scientific research and the experience gained in leading units demonstrate that the preparation and enrichment of coarse fodder before administration to animals increases its protein content as well as its consumability and digestibility, while the additional expenses incurred are recovered in higher animal production and a higher index of fodder conversion. The methods used for preparation can be mechanical (chopping, wetting, scalding, steaming, salting, mixing with molasses), chemical (treatment with alkalies or acids), and biological (fermentation). A particularly important and efficient method has been the use of fodder urea in combination with coarse fodder; and in spite of the positive results obtained with it wherever it has been used, this method has not yet been adequately expanded.

Also increasingly being felt, is the need to adopt steps designed to help and encourage agricultural workers to completely and most efficiently use secondary vegetal products in feeding animals:

a) Planning and record keeping should include a most accurate evaluation of the amounts of secondary products that can be used as coarse fodder, keeping in mind that in the last decades the quantities of secondary products have been reduced with respect to major products, as a result of efforts made to improve the biologic potential of crops, and of the extension of industrial techniques;

b) Measures must be taken to counter the tendency to reduce the amount of secondary products harvested; this is the result of extensive combine harvesting, and of the practice on the part of operators to adjust their machines for higher speeds and consequent higher labor productivity in the case of high crop densities and heavy harvests; however, this sometimes also results in a 20-30 percent loss of the growth mass, which remains in the field,

c) Machines must be provided for the rapid and inexpensive transportation of secondary products. As quantities of baling wire are being reduced, it appears absolutely necessary that agricultural units be provided with an adequate number of specialized machines for straw gathering and transportation (MAC and PAC).

d) In order to increase the nutritional value of straw and cobs, more farms must be endowed with fodder equipment and kitchens for preparing coarse fodder;

e) Greater concern is required on the part of animal husbandry management organs to disseminate the results obtained by experimental stations and leading units, in preparing and enriching coarse fodder, using special courses, exchanges of experience, visual aids, and so on;

f) In order to vest economic interests in the more extensive use of coarse fodder, production cost plans must include the proportion in which this category of fodder is being used and its real cost (although its price per kilogram is low, the cost of a nutritional unit, and especially of a kilogram of digestible product, is much higher than for other fodder categories, as a result of the expenses incurred from harvest time to the time it is administered to animals).

Animal Feeding Solely According to Scientific Standards

Consumption quotas in animal production can be calculated either per unit product (milk, meat, eggs, and so on) or per average animal in a given category (when several products are obtained). The most important of the many consumption quotas is the rigorous foundation of production plans, as well as of income and expenses budgets. The necessary resources of various categories of fodder are calculated on the basis of consumption quotas and plan tasks regarding numbers of animals and animal production. Limiting the amount of fodder that can be consumed to obtain a unit product, to the strictly necessary amount, is an instrument for reducing specific consumption, with outstanding effects on fodder savings, on its superior exploitation, and on more profitable production.

Another function of consumption quotas is the foundation of technical and material supply plans wherever -- "in addition to production tasks" -- production stocks and the amount of fodder obtained from internal production are basic indicators which to a large extent determine the fulfillment of the plan.

Both for planning and for analysis, it is extremely important to take into consideration the content and structure of consumption quotas at various stages of supply and production activities. If a technical consumption quota established first by research institutes in a laboratory phase, and then by an experimental phase, represents the amount of material (fodder) effectively used in the production process and therefore at a work site, then a supply consumption quota additionally includes non-technological losses that occur during supply, transportation, preparation, storage, and delivery of the material (fodder) to be used in the production process.

Whereas technical losses, that is the fodder lost during feeding or that which remains unused in stalls, are small compared to the total amount of effectively consumed fodder, non-technical losses represent large amounts which must be included in calculations for determining fodder needs and balances, and the fodder base. Non-technical losses differ greatly for various fodder groups (from 1-5 percent for concentrates up to 10-20 percent for fibrous or succulent fodder, and much higher in some other cases), depending on the technology used in gathering, transportation, and storage, and on the sense of management existing in each agricultural unit that produces, handles, or uses fodder.

Technical consumption quotas refer to the quantity of fodder that must be consumed by an animal in a given period in accordance with planned production, also taking into consideration the technology being used, as well as the level of organization of production and labor.

Although the consumption of fodder in Romania is determined by a regulatory act (Law No. 22 of 17 December 1971), the practical application of scientific requirements for feeding animals in all agricultural units has not been fully completed.

The task of agricultural units is to start with established maximum acceptable fodder consumption quotas, as provided by law or by central organs, and taking into consideration the varieties of fodder that can be assured as well as other specific conditions, to establish their own consumption quotas so as to guarantee not only the fulfillment of planned production, but its increased efficiency as well. So that agricultural units which raise animals can formulate more rigorous fodder consumption quotas for themselves, it is imperative that they be provided -- "for each category of animal" -- with as many orientation models as possible (from researchers and specialized organs), models which will take into account the productive capability of animals, their physiology, production technologies, type of fodder base, feeding systems, agricultural zones, and so on. At the recent conference with animal husbandry staffs, Nicolae Ceausescu justifiably

criticized the fact that these farms still have few specifications for animal feeding, and he asked that the Ministry of Agriculture, in collaboration with ICNA (expansion unknown), animal specialists, and veterinary doctors, establish specifications for fodder preparation, starting with the best results obtained in our units, and disseminate these recipes to all animal husbandry farms for the rational organization of fodder utilization.

Another requirement is that new tables of nutritional values of fodder (the current ones being mostly outdated) be established based on laboratory analyses conducted during the last ten years, and taking into consideration the changes that have occurred in the structure of the fodder base.

A major need is an improved organization of the feed testing network (particularly of combined feeds), and the establishment for each county, of the nutritional value of fodder as a function of the large variety of conditions in each enterprise.

Only in this way will animal husbandry units be able to benefit from perfected methods in order to establish fodder needs in strict relation to production tasks and specific local conditions, so as to guarantee highly favorable effects on production organization, and on technical and financial results, thus assuring the transition to a new and superior quality in this basic sector of Romanian agriculture.

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DECREE ON CONTRACTING PRICES FOR ANIMALS AMENDED

Bucharest BULETINUL OFICIAL in Romanian Part I No 49, 20 June 80 pp 3-4

[Decree of the State Council of the Socialist Republic of Romania for Amending Appendix 2 to Decree No 410/1973 on the Improvement of the System of Contracting and Purchases for Animals, Poultry, Fish and Eggs and the Modification of the Retail Prices for Meat, Meat Products, Poultry, Fish and Eggs]

[Text] The State Council of the Socialist Republic of Romania decrees:

Article 1. Appendix 2 to Decree No 410/1973 on the Improvement of the System of Contracting and Purchases for Animals, Poultry, Fish and Eggs and the Modification of the Retail Prices for Meat, Meat Products, Poultry, Fish and Eggs, as it was amended by means of Decree No 170/1975, is amended in accordance with the appendix to the present decree.

Article 2. The State Planning Committee and the Ministry of Finance, together with the Ministry of Agriculture and the Food Industry, will make proposals for modifying the economic and financial plan indicators and the state budget for 1980, as a result of the influences that result from the application of the present decree to the plan titulars within the Ministry of Agriculture and the Food Industry, with the indicators for the ministry as a whole remaining unchanged.

Nicolae Ceausescu,
Chairman
of the Socialist Republic of Romania

Bucharest, 18 June 1980.
No 189.

Appendix
Containing the Contracting, Production and Purchase Prices for Live Hogs

Weight groups	Contracting and production prices (lei per kg liveweight)	Maximum pur- chase prices (lei per kg liveweight)
A. The agricultural production cooperatives, the intercooperative economic associations, and the population's farms		
From 80 to 90 kg liveweight inclusive	8.50	8.50
Over 90 to 100 kg liveweight inclusive	10.50	10.50
Over 100 to 110 kg liveweight inclusive	12.00	12.00
Over 110 kg liveweight*	12.50	12.50
B. The state agricultural units		
From 80 to 90 kg liveweight inclusive	8.30	-
Over 90 to 100 kg liveweight inclusive	9.50	-
Over 100 to 110 kg liveweight inclusive	10.50	-
Over 110 kg liveweight*	11.00	-

* With the exception of culled sows and boars, which will be paid for in the category of "fat hogs of 100-110 kg liveweight."

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OPERATION OF ECONOMY IN FIRST HALF OF 1980 ANALYZED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 3 Sep 80 p 10

[Article by Cedomir Dodig: "Adjustment as Stabilization Progresses"]

[Text] Economic developments in the first half of this year have taken place, as is well known, in the context of the conduct of stabilization policy, that is, the goals and tasks contained in the resolution on the country's economic and social development during the current year.

Especially important to achievement of the measures of stabilization policy are relieving the burden on the economy, bringing all forms of final consumption within the bounds of real capabilities while at the same time ensuring that public and social service expenditure increase more slowly than the social product and income, a more moderate rise of prices, equilibrium in the country's balance of payments, and linkage of personal incomes to the rise of labor productivity in the socialized sector of the economy.

The figures in the table below illustrate the main tendencies of economic developments:

	Index
	<u>Jan-Jun 1980</u>
	<u>Jan-Jun 1979</u>
Physical volume of industrial output	105
Gross income	134
Costs	135
Income	131
Income distributed	131
Portion of income to finance social services	124
Portion of income to meet general public needs	120
Producer's prices in industry*	122
Prices of farm products	125
Retail prices	127
Cost of living	127

Table (continued)

	Index
	Jan-Jun 1980
	Jan-Jun 1979
Value of exports	132
Value of imports	108
Investments in fixed capital--total**	125
Economic	120
Noneconomic	136
Current losses	127

* January-July. Unweighted average of monthly index numbers for retail prices and the cost of living.

** January-May 1980.

Favorable Results

One can conclude from the data given and an analysis of their dynamic behavior that the growth of the physical volume of industrial output has been more moderate than in the previous period, which indeed was a goal of the stabilization policy in order to restrict demand on the domestic market and re-establish equilibrium in commodity-money relations.

The pressure on prices rose even more, since in the period January-July 1980 producer's prices of industrial products rose 22 percent over the same period of the previous year, while retail prices and the cost of living rose 27 percent and farm products 25 percent (January-June).

The growth of the physical volume of output and particularly the rather intensive price rise were involved in the relatively high rise of gross income and income of the socialized sector of the economy.

Deterioration of the economic efficiency of the conduct of economic activity is indicated by the fact that costs (index number 135) increased faster than gross income (index number 134). The devaluation measures carried out in the first half of this year had favorable results in that they boosted our economy's exports to the foreign market, but at the same time they tended to increase the operating costs of organizations of associated labor oriented toward imports, which to a considerable extent determined the dynamic relations between costs and gross income.

The measures of stabilization policy and especially the devaluation of the dinar have tended to re-establish more harmonious relations between domestic prices and import prices, which also tended to create more favorable relations in foreign trade, since the value of exports is rising considerably faster (index number 131.8) than that of imports (index number 108.3). However, problems in the field of foreign trade are still very urgent because of the size of the country's payments deficit.

Investment expenditures are restricted to a certain extent, but it should be noted that the growth of investments in fixed capital is still quite high, especially in the noneconomic sector.

Favorable Proportions in Distribution

Secondary distribution: One of the essential prerequisites for fulfilling the Social Plan and also the resolution on economic and social development for this year is to bring public, social service and personal expenditures within the limits of the income the economy earns. That is, redistribution of income outside those limits is a significant source of economic instability and one of the key problems in future development and in strengthening self-management relations in associated labor.

The figures in the table below illustrate relationships in the distribution of income:

	Amounts, in billions of dinars		Index	Composition, %	
	Jan-Jun 1979	Jan-Jun 1980		Jan-Jun 1979	Jan-Jun 1980
Distributed income	392.1	514.5	131	100.0	100.0
A) For social service expenditure	72.0	89.4	124	18.4	17.4
B) For general public expenditure	14.8	17.7	120	3.8	3.5
C) For other purposes	78.5	102.9	131	20.0	20.0
D) For OOUR [basic organizations of associated labor]	226.8	304.5	134	57.8	59.1

The socialized sector of the economy distributed 514.5 billion dinars of income in the first half of this year, which is 31 percent more than in the same period of last year. Proportions in the distribution of income are much more favorable than in previous periods, which means that the measures of relieving the economy of obligations to meet social service and general public purposes are being achieved in part. For example, while the distributed income of the economy was rising at a rate of 31 percent, the share of income for social service expenditures increased 24 percent and the share for general public purposes 20 percent. However, the economy's appropriations to meet social service and public needs are still considerably greater than the proportions set forth in the resolution. Reduction of the share of this portion of income in distributed income helped to increase the share of income for OOUR's from 57.8 percent in the first half of 1979 to 59.1 percent in this period, which has helped to re-establish considerably more favorable relations in secondary distribution of income and to a material strengthening of the position of associated labor.

In Conformity With Economic Policy

Internal distribution: One of the important goals of the resolution for this year and of the measures of stabilization policy as a whole has been to reestablish more harmonious relations in the distribution of net income, that is, in internal distribution. The figures in the table below show relationships in the distribution of net income.

	Amounts, in billions of dinars		Index	Composition, %	
	Jan-Jun 1979	Jan-Jun 1980		Jan-Jun 1979	Jan-Jun 1980
Net income distributed	282.6	270.0	131	100.0	100.0
A) For personal incomes	206.8	254.1	123	73.2	68.7
B) For social service expenditures	27.5	33.4	122	9.7	9.0
C) For expansion and improvement of plant and equipment	40.7	71.9	176	14.4	19.4
D) For reserves	7.6	10.7	141	2.7	2.9

The figures on internal distribution of income indicate quite favorable tendencies which are in conformity with the goals of economic policy for this year. Relations have been established in distribution of net income which by virtue of funds for expansion of the material base (plant and equipment) of associated labor ensured the most intensive growth--index number 176.4 and about 71.8 billion dinars in absolute amount. If we add to these the funds set aside for depreciation at the prescribed minimum rate (60.8 billion dinars), we obtain the amount of 132.6 billion dinars, which is considerably more than in the previous periods.

Because of the more difficult economic situation in the world and in our country as well basic organizations of associated labor have been behaving rationally with respect to appropriation of funds for personal and social service expenditures. Personal incomes rose 23 percent and social service expenditures 22 percent, which is in conformity with the growth of economic policy for this year.

Relations of this kind in secondary and internal distribution of the income of the socialized sector of the economy and especially the very intensive growth of capital formation were involved in the 18-percent rise of the rate of reproductive capacity and the 34-percent rise of the rate of capital formation.

The level of the economy's indebtedness drops from 76.8 percent in the period January-June 1979 to 63.2 percent in the same period of this year, since the economy was able to finance a sizable portion of its expansion with its own funds on the one hand, while on the other opportunities were limited for making investments in new projects.

Problems in Financing

Working capital: The level of working capital, efficiency of its utilization and its composition have great importance in financing the process of expanded reproduction. The figures in the table below illustrate the principal forms of working capital:

	Amount, in billions of dinars		Index	Composition, %	
	Jan-Jun 1979	Jan-Jun 1980		Jan-Jun 1979	Jan-Jun 1980
Principal forms of working capital--total	883.6	1,172.1	133	100.0	100.0
Cash and securities	140.7	180.4	128	15.9	15.4
Total receivables from customers	303.1	437.7	144	34.3	37.3
Total inventories	439.9	554.1	126	100.0	100.0
Raw materials, supplies, expendable items and containers	168.0	219.1	130	38.2	39.6
Work in process	83.3	100.5	121	19.0	18.2
Finished products	61.9	72.2	117	14.1	13.0
Commercial goods	126.7	162.3	128	28.7	29.2

The figures show that receivables from customers (index number 144) have been the item in the composition of working capital that increased the fastest, and then came cash and securities (index number 128). The growth of inventories has been somewhat more moderate, and in their composition the fastest growth was shown by inventories of raw materials and containers (index number 130). These relations show that the economy's liquidity is not at a satisfactory level, since a sizable share of working capital consists of receivables from customers and inventories. This is creating problems in financing expanded reproduction.

Sources of business capital: From the standpoint of the economy's liquidity it is very important to examine the distribution of sources of business capital, since this shows to what extent the principles of pooling capital and relations based on income-sharing are being implemented, this being one of the most important elements of faster development as a whole. The figures in the following table illustrate relations in sources of business capital.

In the distribution of sources of business capital pooled capital (index number 140) had the fastest growth, and it was followed by credits for working capital (index number 126).

However, even though pooled capital showed the most intensive growth, its share in total sources of business capital is still relatively low. This

indicates that the pooling of labor and capital on the basis of income-sharing is not proceeding fast enough, and this is creating certain problems for faster economic development of the economy and for improvement of its economic position as a whole.

	Amount, in billions of dinars		Index	Composition, %	
	Jan-Jun 1979	Jan-Jun 1980		Jan-Jun 1979	Jan-Jun 1980
Principal sources of business capital--total	2,022.6	2,522.7	125	100.0	100.0
Permanent sources	1,092.8	1,356.1	124	54.0	53.8
Pooled capital	56.7	79.4	140	2.8	3.2
Credits for fixed capital	460.8	568.9	123	22.8	22.5
Credits for working capital	412.3	518.3	126	20.4	20.5

Losses Remain an Urgent Problem

Over the last several years losses in the economy have been a serious socioeconomic problem in spite of a certain reduction. The measures taken to solve the problem of losses and in particular the measures of financial rescue policy have had definite results, but their implementation is not consistent everywhere.

The causes of the occurrence of losses vary, but in the main they can be reduced to low labor productivity, underutilization of production capacities, inappropriate organization of work, discrepancy between the distribution of income and actual achievement, running from improper assignment of funds to personal incomes all the way to high obligations on the basis of interest on credits, taxes and contributions for public and social service expenditures, and so on.

The table below shows in more detail the trend of losses by the sectors of the economy:

	Amount, in billions of dinars		Index	Composition (entire socialized sector of economy = 100)	
	Jan-Jun 1979	Jan-Jun 1980		Jan-Jun 1979	Jan-Jun 1980
Total current losses	13,140.5	16,705.3	127	100.0	100.0
Industry and mining	8,522.7	10,692.7	125	64.9	64.0
Agriculture and fishing	337.9	420.3	124	2.6	2.5
Timber and lumber	26.3	26.6	101	0.2	0.2
Water management	29.8	38.2	128	0.2	0.2

Table (continued)

	Amount, in billions of dinars		Index	Composition (en- tire socialized sector of econ- omy = 100)	
	Jan-Jun 1979	Jan-Jun 1980		Jan-Jun 1979	Jan-Jun 1980
Construction	324.9	571.5	176	2.5	3.4
Transportation and communi- cations	1,189.0	1,822.5	153	9.1	10.9
Trade	356.2	303.2	85	2.7	1.8
Hostelry and tourism	1,888.1	2,292.2	121	14.3	13.7
Crafts and trades	155.2	256.2	165	1.2	1.5
Housing and municipal ser- vices and utilities	257.5	193.2	75	1.9	1.3
Financial and other organi- zations	52.8	88.7	168	0.4	0.5

The largest growth of losses in this period occurred in construction (index number 176), financial and other organizations (index number 168), crafts and trades (index number 165), and transportation and communications (index number 153). In the breakdown of the total losses of the socialized sector of the economy 64 percent occurred in current business operation in the sector of industry and mining, 13.7 percent in hostelry and tourism, and 10.9 percent in transportation and communications. The share of the other sectors in the total losses of the socialized sector of the economy is considerably lower. In trade and housing and municipal services and utilities the losses were lower than in the same period of last year.

All this indicates that the problem of losses, especially in basic organizations of associated labor in the sectors of industry and mining, construction, transportation and communications, and hostelry and tourism, is a very urgent one and requires much more consistent efforts at solution involving all factors, beginning with basic organizations of associated labor and running all the way to sociopolitical communities.

[Box] Encouragement and Warning Signs

On the basis of figures from semiannual statements for the period January-June of this year, compared to the same period of the previous year, we can observe that the socialized sector of the economy has achieved satisfactory results in this period in certain sectors of economic activity, as manifested in the following:

A sizable growth of gross income and income of the economy was achieved along with a more moderate growth of the physical volume of output and a more moderate movement of domestic demand;

Investment expenditures show certain signs of more moderate growth in comparison with previous periods;

Relations in secondary and internal distribution of the income of the socialized sector of the economy are considerably more favorable, since appropriations for social service and public needs increased more slowly than income, and personal incomes and funds for social services of OOUR's increased more slowly than the net income of the economy. Objective opportunities were thus created for augmenting the material base of associated labor and also raising the economy's ability to form capital and reinvest. Trends in the distribution of income and net income were in conformity with the goals of economic and stabilization policy for this year;

More favorable relations were recorded in foreign trade, since the value of exports has been growing considerably faster than imports, though the country's payments deficit is still very large.

However, in spite of these constructive trends in operation of the socialized sector of the economy, problems are still present which are frustrating more rapid socioeconomic development.

The pressure on prices is still present, which could secure ["devalue" is presumably meant] favorable results in the conduct of economic activity;

The supply of the domestic market with consumer goods is also an urgent problem that demands a more consistent solution.

The growth of losses, especially in the sectors of industry, construction, trade and hostelry, and also transportation continues to be quite marked and is a major socioeconomic problem.

We can expect the tendency of favorable results in economic activity to continue in the coming period and that the influence of the adverse trends will be considerably mitigated, especially in the domains of primary distribution and foreign trade. It is expected that the problems causing losses will be resolved more consistently.

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